EXHIBIT 1
DATE 1-26-09
HB 3

MONTANA
Department of Public Health & Human Services

Department of Public Health and Human Services

Presentation to the 2009 Health and Human Services Joint Appropriations Subcommittee

Senior and Long Term Care Division

January 26, 2009

#1

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
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Senior and Long Term Care Division
FY 2008/2009 Biennium
Goals and Objectives Overview

The following are the goals and objectives for the Senior and Long Term Care Division (SLTCD) for FY2008 and FY2009. Many of the objectives reflect proposals found in the SLTCD Executive Budget request for FY2008/2009 that will require the approval of the legislature.

· Goal A: Increase the ability of Montanans to prepare to meet their own long term care needs, or the long term care needs of a relative or friend.
Objectives:
1. Increase the number of requests for information on the State Aging Hotline and AAA toll free number each year. **PDF Graph**
2. Maintain or increase the number of home delivered meals served through the Aging Network. **PDF Graph**
3. Increase the number of Information and Assistance program contacts each year. **PDF Graph**
4. Increase the number of individuals served each year by the State Health Insurance Program (SHIP). **PDF Graph**
5. Maintain the number of participants at the Governor's Conference on Aging each year.
6. SLTCD staff will conduct at least 100 public presentations each year. **PDF Graph**
7. Increase the number of visits to the SLTCD website each year. **PDF Graph**
8. Develop a coordinated continuing public education campaign to inform Montanans about long term care issues and options emphasizing the need for individual long term care planning and personal responsibility for individual health care needs. **PDF Graph**
9. Revise or update the annual State of Aging in Montana report.
10. Maintain or increase the average monthly visitation rates by ombudsmen to licensed nursing facilities, assisted living facilities and Critical Access Hospitals with swing beds each year. **PDF Graph**
11. Increase the number of counties that have Aging and Disability Resource Centers and increase the number of clients these Centers assist with eligibility for public benefits. **PDF Graph**
12. Increase the number of caregivers receiving supportive services (including respite care) and increase the project income for these services. **PDF Graph**

Goal B: Increase the number of Montanans who meet some or all of their own, or someone else's, long term care needs.
Objectives:
1. Increase the number of people with long term care insurance as measured by the number of people claiming a tax deduction for long term care insurance on their state income tax returns. **PDF Graph**
2. Increase the number of people taking the tax credit for caring for an elderly

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dependent. PDF Graph
3. Increase the average amount of daily patient contributions paid towards Medicaid nursing home care. PDF Graph
4. Increase the funds recovered under the Medicaid lien and estate recovery program. PDF Graph
5. Increase the percentage of people privately paying for nursing home care each state fiscal year. PDF Graph

· Goal C: Ensure high quality publicly funded long term care services to Montanans publicly funded long term care services to Montanans.
Objectives:
1. Pursue provider rate increases and direct care wage and health insurance initiatives for providers that serve a high proportion of Medicaid consumers to maintain access to services. PDF Graph1 and PDF Graph2
2. Pursue avenues to maintain the current level of funding that is derived from provider taxes to enhance and stabilize Medicaid nursing facility price based reimbursement system.
3. Continue to assist financially strapped rural county affiliated nursing homes by increasing their Medicaid reimbursement rates through the use of intergovernmental transfers of matching funds to the SLTCD.
4. Maintain or increase the current percentage of reasonable costs per day reimbursed by the Medicaid nursing home program. PDF Graph

· Goal D: Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible.
Objectives:
1. Increase the total amount of the Senior and Long Term Care Division budget that goes to home and community services. PDF Graph 1 and PDF Graph 2
2. Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives. PDF Graph
3. Increase the number of people served under the Medicaid Home and Community Based Services (HCBS) Waiver by at least 100 over the biennium. PDF Graph
4. Reduce the percentage of nursing facility residents under age 65.
5. Pursue grants to improve services to underserved populations and solidify quality assurance practices.
6. Maintain the average length of stay for an individual on the HCBS Waiver waiting list at less than one year. PDF Graph

· Goal E: Enhance the ability of the state to protect senior citizens and people with disabilities who are at risk of abuse neglect and exploitation while ensuring maximum independence and self-determination.
Objectives:
1. Work, within budgetary constraints, to maximize services to vulnerable individuals

through continuing to pursue additional discretionary monies to support abuse prevention activities over the next biennium.
2. Continue to support the development of Chapters affiliated with the National Committee for the Prevention of Elder Abuse and other, similar, prevention organizations.
3. Work to effectively decrease the number of guardianships of incapacitated adult individuals held by state agencies by assisting in the development of private, non-profit guardianship provider entities (e.g., councils, individuals and other groups) and transferring appropriate guardianships to those entities. A goal for reduction of state-held guardianships will be 5% (approximately 10 individuals) per year over the next biennium. **PDF Graph**
4. Maintain and utilize the Operation Protect Montana (OPM) protective services data management and reporting system to address ongoing issues of workload/caseload, referrals, guardianships and other protective service needs for the protection of vulnerable adults.

· Goal F: Provide efficient, effective, high quality nursing facility services to Montana veterans', at the Montana Veterans' Home (MVH) and Eastern Montana Veterans' Home (EMVH).
Objectives:

1. Meet the annual state standards necessary for licensure and certification of nursing facilities at MVH and EMVH during each year in the coming biennium.
2. Achieve and maintain occupancy rates equal to, or greater than, those of other nursing facilities in the region of the state in which each facility is located. **PDF Graph**
3. Continue to assess and address direct care staff recruitment and retention difficulties at MVH and EMVH by developing alternative compensation proposals and wage incentives to attract and retain direct care staff at both facilities.
4. Request funding to upgrade physical plant at EMVH by replacing roof on building.
5. Request funding for remodeling and expansion projects at MVH, which would add additional dining/lounge space, remodel existing nursing station, add three (3) private rooms in order to improved dining capacity, improved nurse supervision of residents, improved quality of care and increased staff efficiency.
6. Request additional staffing resources to better meet the needs of residents with dementia/Alzheimer's residing in MVH special care unit.
7. Continue to evaluate the operations of both facilities and assess the feasibility of contracting versus direct operation of Montana's State Veterans' facilities in light of Veterans' Study data.
8. Continue to utilize "School to Work" programs in Dawson County to further enhance and improve the grounds at the EMVH facility.

· Goal G: Operate an efficient and cost effective long-term care system.
Objectives:
1. Maintain the total long-term care expenditures of the SLTCD within the budget

established by the legislature for each year of the 2008/2009 biennium. **PDF Graph** 2. Pursue additional federal funding opportunities to enhance or expand services without the need for additional state dollars.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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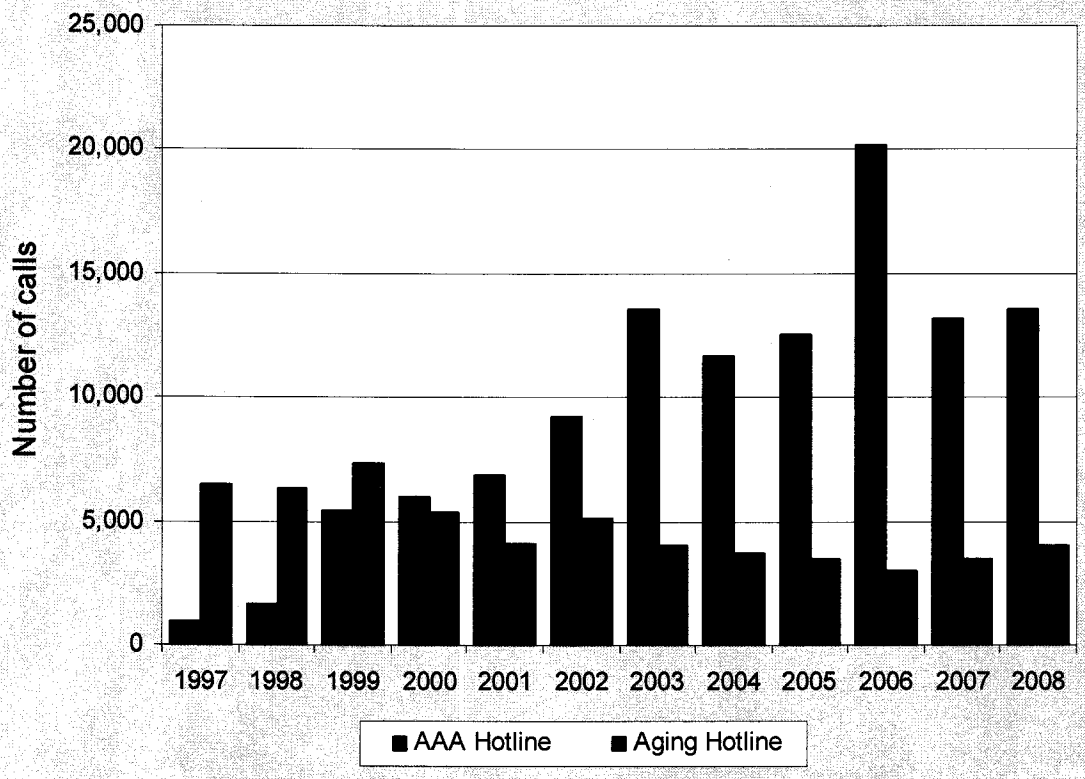
OBJECTIVE 1

INCREASE THE NUMBER OF REQUESTS FOR INFORMATION ON THE STATE AGING HOTLINE AND AAA TOLL FREE NUMBER EACH FISCAL YEAR



COMMENT AND NOTES: Calls to the Area Agency on Aging (AAA) toll free number are routed to the AAA serving the county that the call originates from. Calls to the State Citizens Advocate toll free number are routed to the Aging Services Bureau. Increases in 2006 are largely attributable to changes in Medicare.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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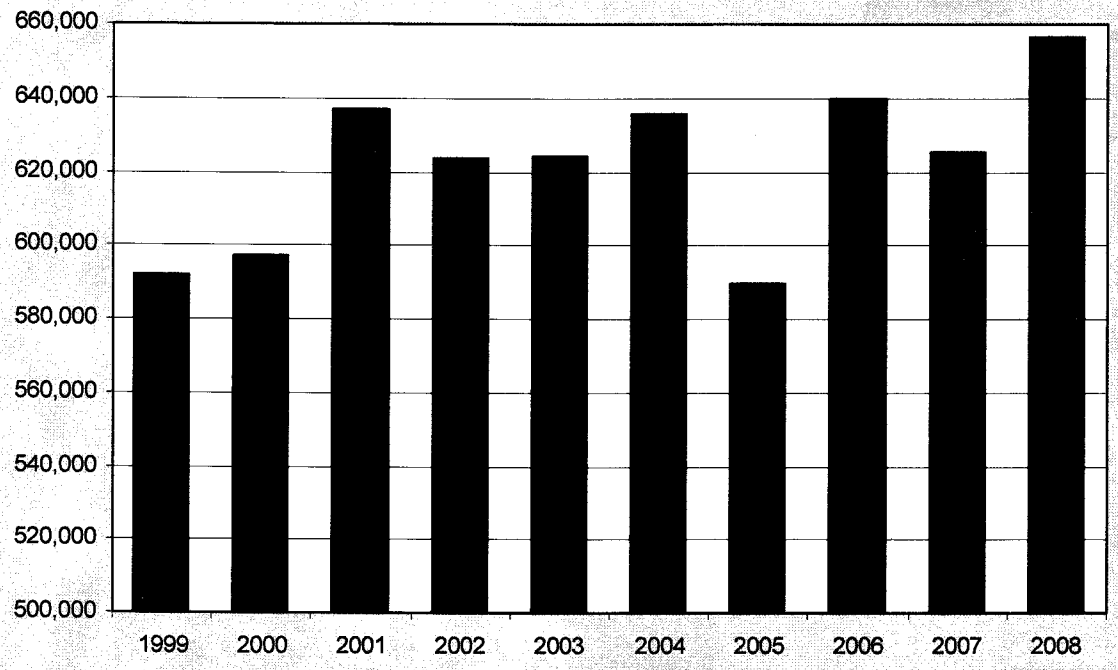
OBJECTIVE 2

MAINTAIN OR INCREASE THE NUMBER OF HOME DELIVERED MEALS SERVED THROUGH THE AGING NETWORK

Annual Home Delivered Meals Served



COMMENT AND NOTES: Home delivered meals are a crucial component of in-home services provided through the Aging Network that help seniors remain in their homes, living independently. Currently, the average age of a home delivered meal client is 77. The number of home delivered meals served hit a record high in 2008.

REPORT DATE: December 1 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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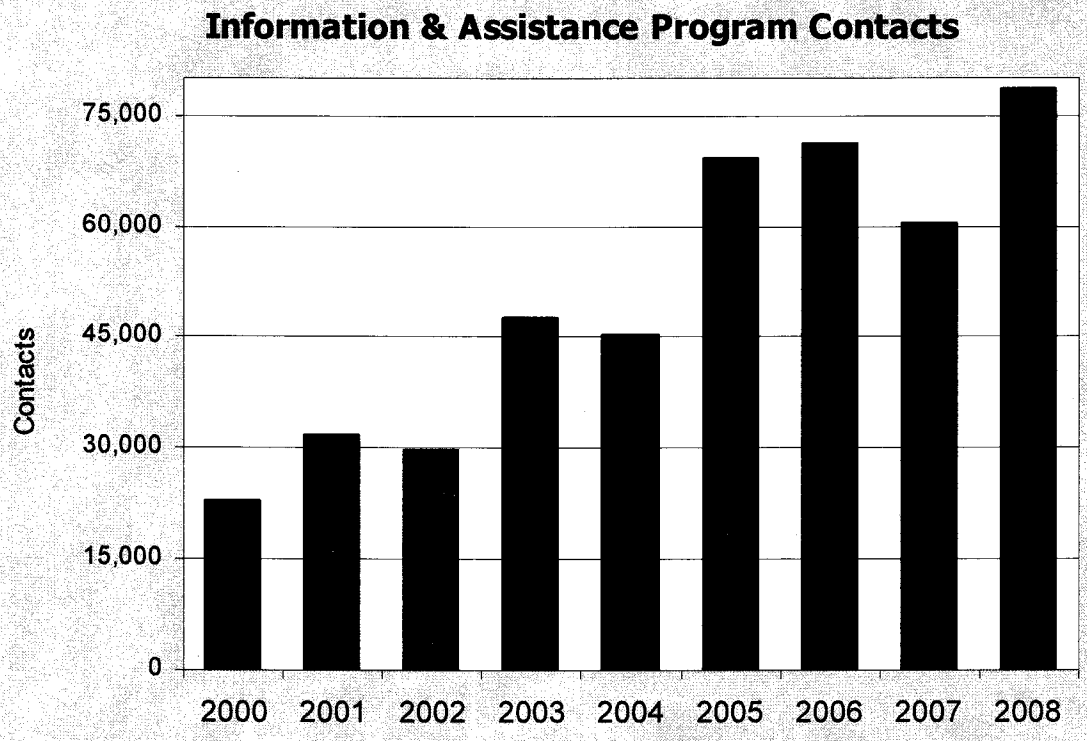
OBJECTIVE 3

INCREASE THE NUMBER OF INFORMATION AND ASSISTANCE PROGRAM CONTACTS EACH FISCAL YEAR



COMMENT AND NOTES: Data reflects the total phone and personal contacts with Information and Assistance Technicians. These contacts provide information on a wide range of aging services as well as assistance in resolving caller concerns. The increased contacts in 2005 and 2006 are largely attributable to changes in Medicare.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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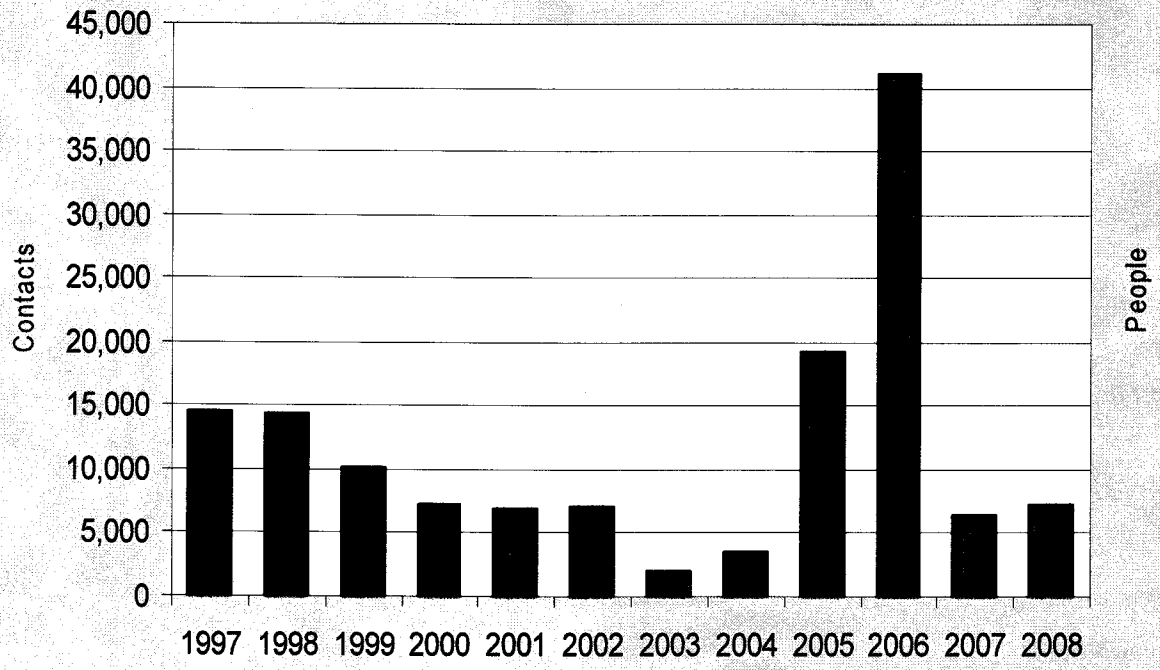
OBJECTIVE 4

INCREASE THE NUMBER OF STATE HEALTH INSURANCE PROGRAM CONTACTS EACH FISCAL YEAR

Annual SHIP Service Data



COMMENT AND NOTES: There are about 150 SHIP counselors around the state. Prior to 2003, units of service represented total statewide phone contacts. In 2003, the Centers for Medicare and Medicaid Services (CMS) implemented a new reporting program that just counts individuals served. The increases in 2005 and 2006 are a result of changes in the Medicare Modernization Act of 2003.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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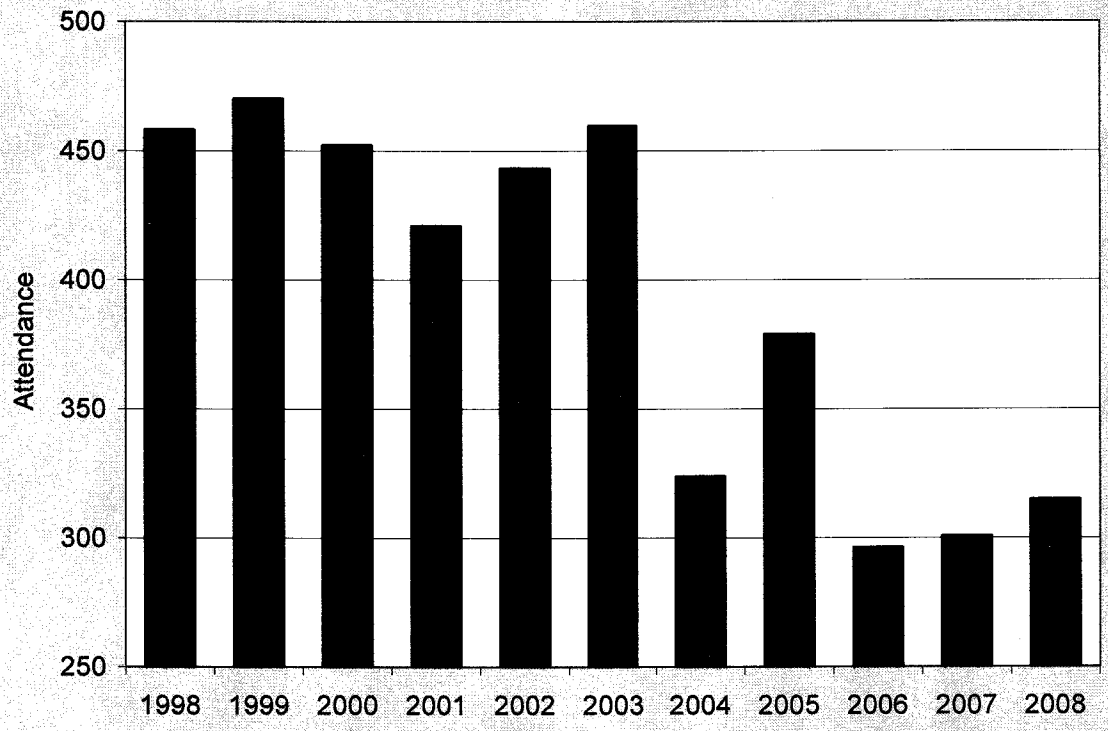
OBJECTIVE 5

MAINTAIN THE NUMBER OF PARTICIPANTS AT THE GOVERNOR'S CONFERENCE ON AGING EACH FISCAL YEAR

Governor's Conference Attendance



COMMENT AND NOTES: In 2004 the Conference switched from being held in September to March. Since there was already a Conference held within 6 months, the attendance was lower.

REPORT DATE: September 1, 2008

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SENIOR AND LONG TERM CARE DIVISION

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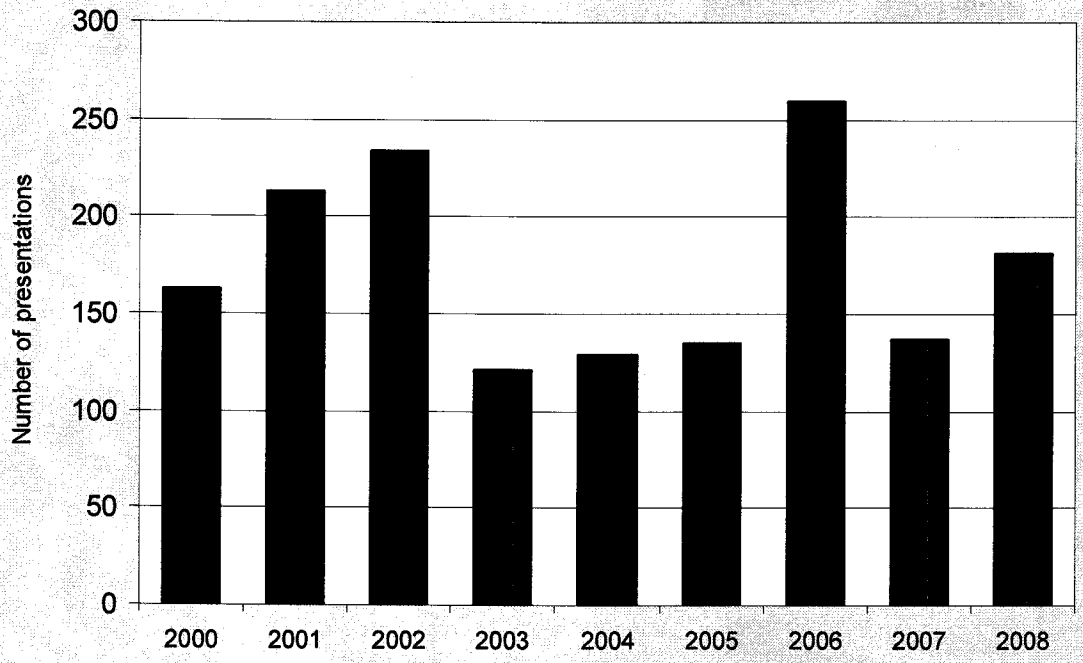
OBJECTIVE 6

SENIOR AND LONG TERM CARE STAFF WILL CONDUCT AT LEAST 100 PUBLIC PRESENTATIONS EACH FISCAL YEAR

SLTC Division Public Presentations



COMMENT AND NOTES: Public presentations include educational seminars, presentations at nursing homes, and conference presentations provided by SLTC staff. They do not include training to other SLTC staff or contractors. The increase in 2006 was due to changes in the Medicare law.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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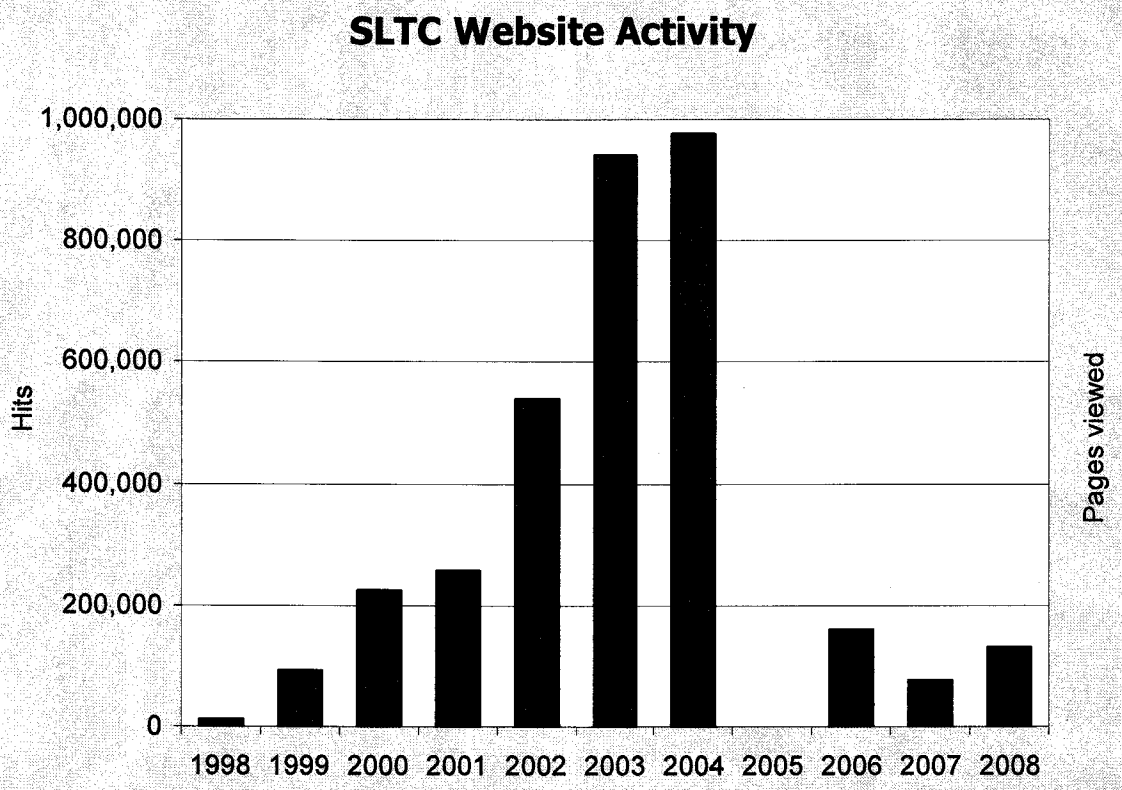
OBJECTIVE 7

INCREASE THE NUMBER OF VISITS TO THE SENIOR AND LONG TERM CARE DIVISION WEBSITE EACH FISCAL YEAR



COMMENT AND NOTES: The SLTCD maintains an extensive website of long term care resources. The website is being used by consumers, out-of-state individuals and family members and SLTCD staff looking for services. Prior to 2005, data represented search hits. Current data is for people actually accessing the SLTCD site.

REPORT DATE: September 1, 2008

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SENIOR AND LONG TERM CARE DIVISION

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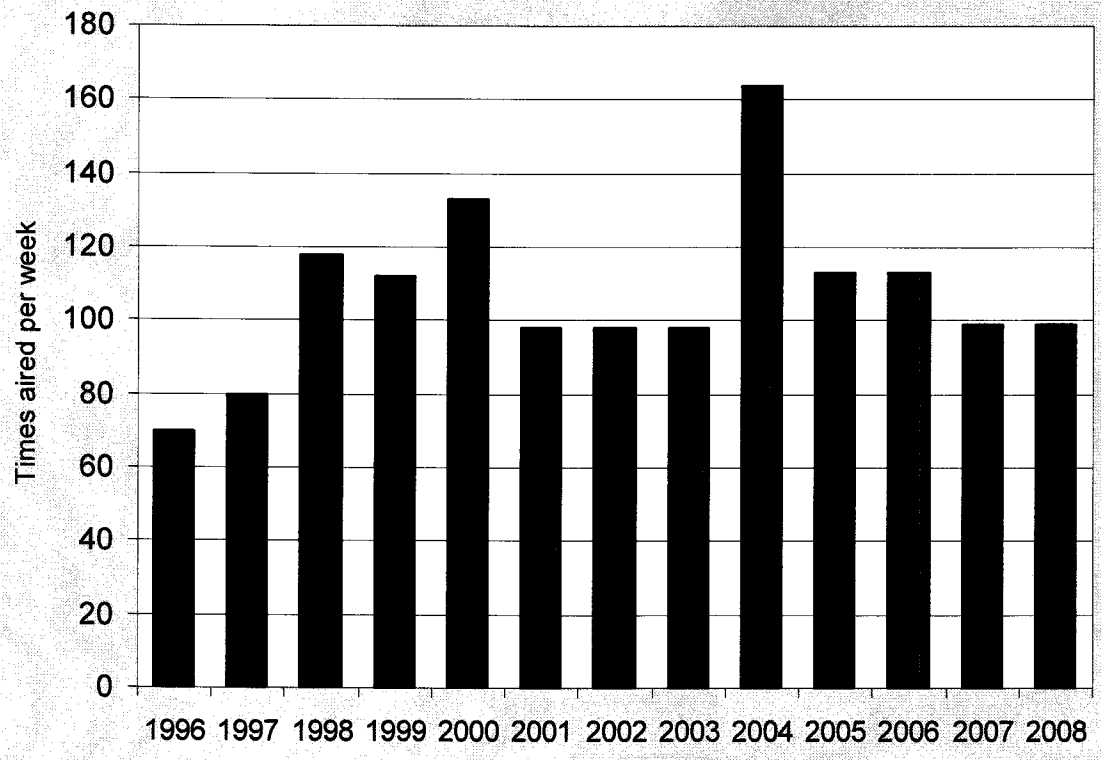
OBJECTIVE 8

INFORM MONTANANS ABOUT LONG TERM CARE ISSUES AND THE NEED FOR INDIVIDUAL LONG TERM CARE PLANNING

Aging Horizons TV Shows



COMMENT AND NOTES: The Aging Horizons TV show is a 30 minutes show. It airs twice a day for a week in 8 markets over the Bresnan Cable Network. The show deals with a wide range of long term care and aging issues. The show is also now aired on Helena Community TV.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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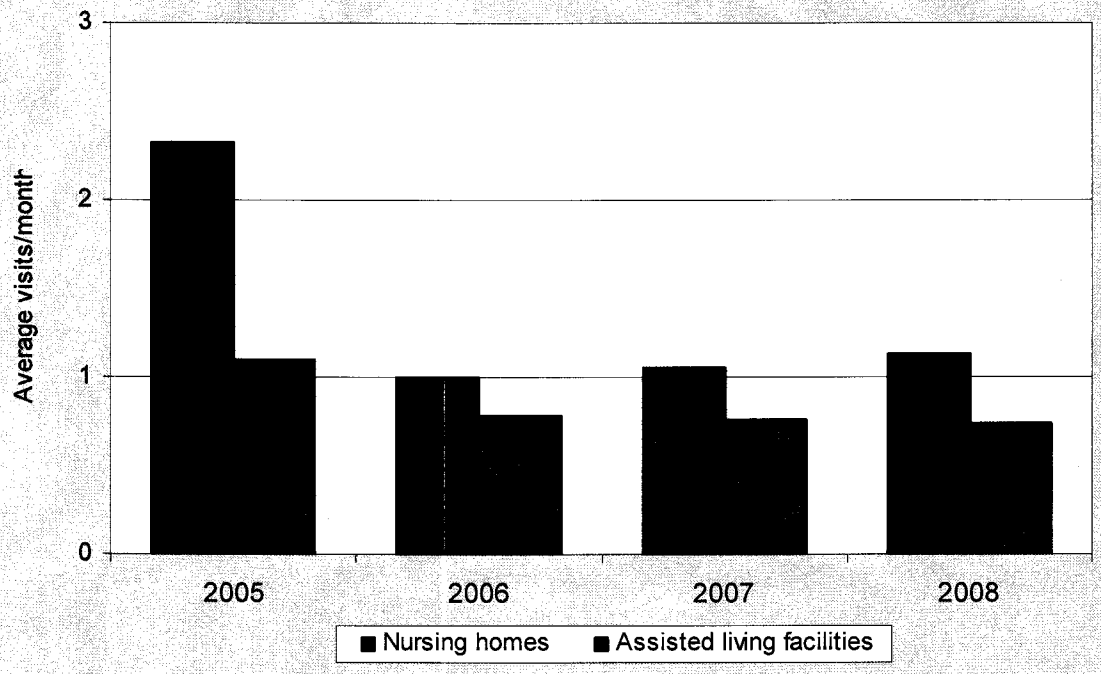
OBJECTIVE 10

MAINTAIN OR INCREASE THE AVERAGE LOCAL OMBUDSMAN MONTHLY VISITATION RATE TO LICENSED NURSING HOME AND ASSISTED LIVING FACILITIES

Monthly Local Ombudsmen Visitations



COMMENT AND NOTES: Under state and federal requirements, local ombudsmen are required to routinely visit all long term care facilities. During FFY 2006, decreases in monthly visitations are directly related to increased workload associated with enrolling seniors in Medicare Part D. The majority of Ombudsmen in the Aging Network are also employed as SHIP counselors and Information and Assistance technicians. During FFY 2008, 90 nursing homes and 170 assisted living facilities were visited.

REPORT DATE: December 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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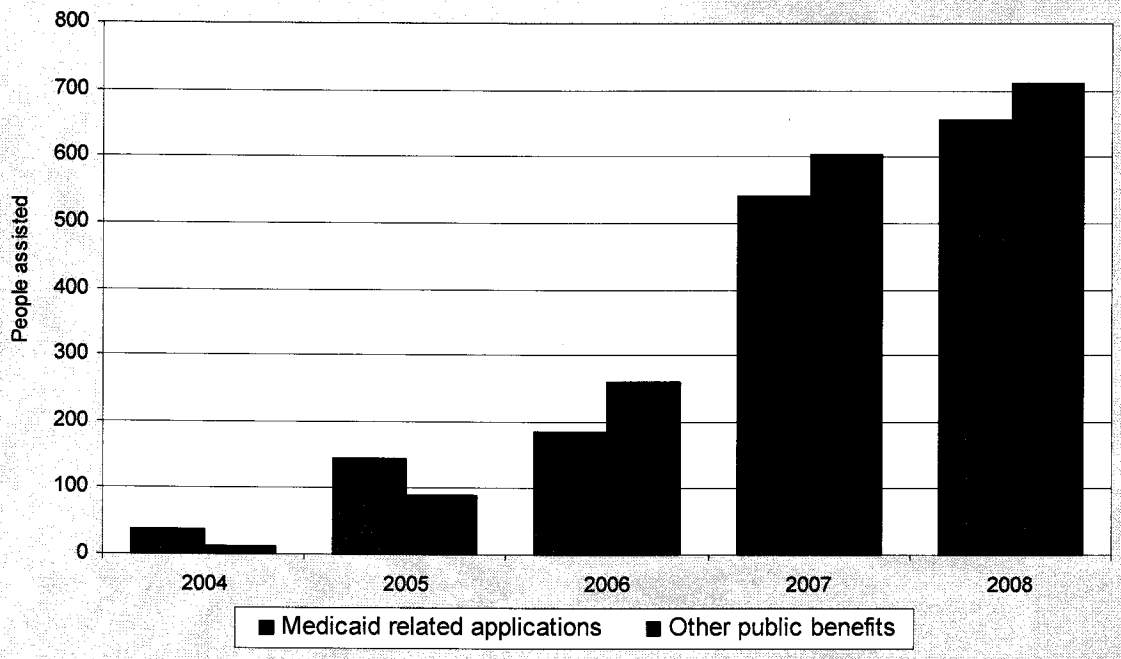
OBJECTIVE 11

INCREASE THE NUMBER OF CLIENTS ASSISTED BY AGING AND DISABILITY RESOURCE CENTERS IN OBTAINING PUBLIC BENEFITS

ADRC Assistance with Application Process



COMMENT AND NOTES: Aging and Disability Resource Centers (ADRCs) are designed to be single points of entry for long term care services. The first ADRC was established in Yellowstone County in 2003. In 2006, 10 additional counties served by Area II Agency on Aging in south central Montana and Missoula became ADRCs. Medicaid related programs include Medicaid medical assistance, long term care or Waiver assistance, SLMB, QMB and QI1. Other public assistance includes Food Stamps, SSI/SSDI, Reverse Annuity Mortgages, LIEAP, Big Sky Rx and Section 8 housing.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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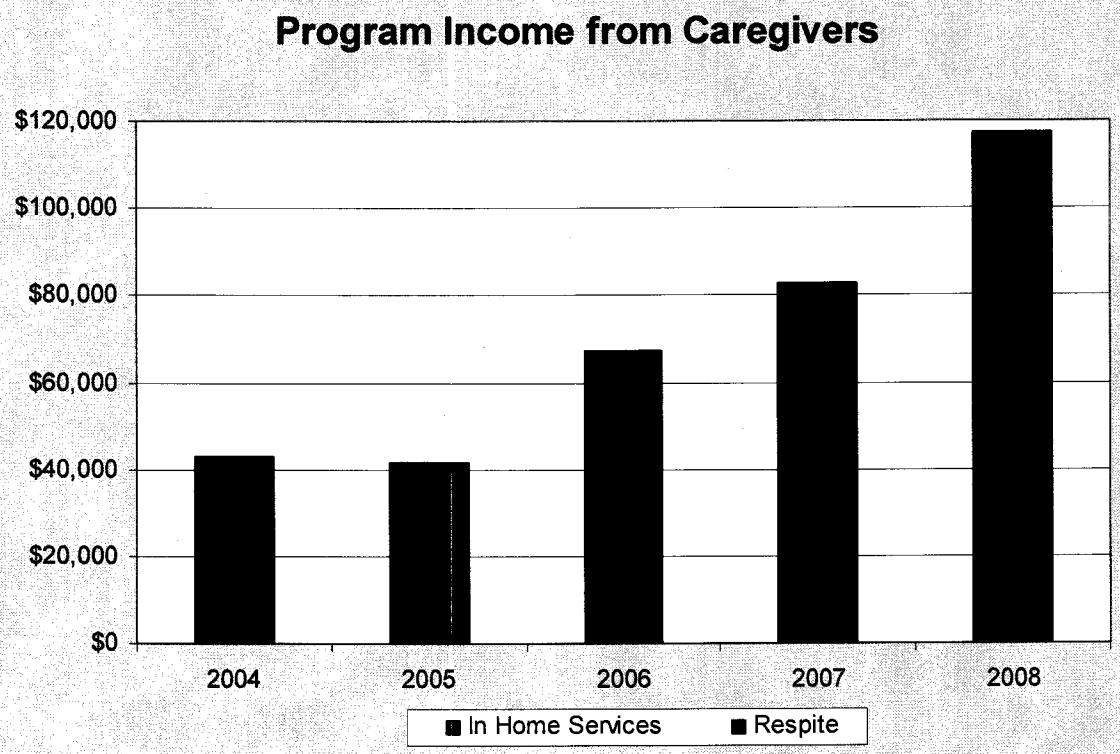
OBJECTIVE 12

INCREASE THE NUMBER OF CAREGIVERS RECEIVING SUPPORTIVE SERVICES (INCLUDING RESPITE)



COMMENT AND NOTES: This data is specifically for caregivers receiving an aging in-home service (personal care, homemaker, home chore, home delivered meals and respite services). In 2006 the State received a federal Alzheimer's grant. Under this grant, respite services were provided using cost sharing in 16 counties. The Alzheimer's grant ended in June 2008.

REPORT DATE: September 1, 2008

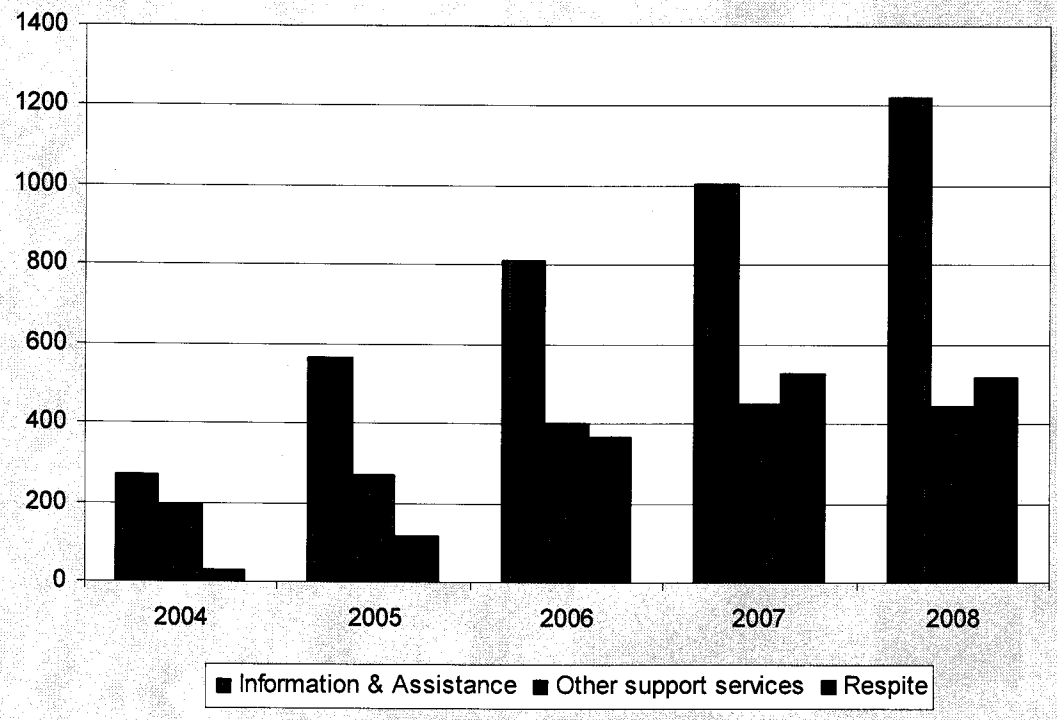
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 12

INCREASE THE NUMBER OF CAREGIVERS RECEIVING SUPPORTIVE SERVICES (INCLUDING RESPITE)

Number of Caregivers Receiving Service Types



COMMENT AND NOTES: Caregivers are not unduplicated across services. Funding for caregiver specific services began in 2004 with the establishment of the National Family Caregiver Support Program. Other supportive services include caregiver support groups, caregiver training, personal care, homemaker and home delivered meals.

REPORT DATE: September 1, 2008

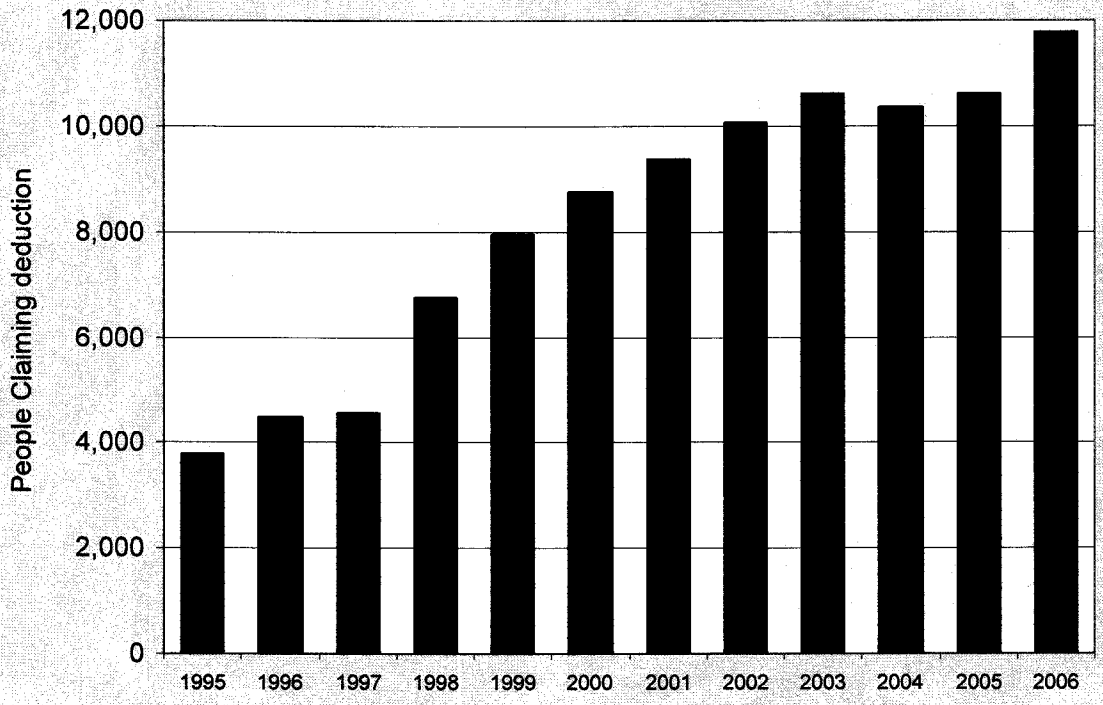
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 1

INCREASE THE NUMBER OF PEOPLE WITH LONG TERM CARE INSURANCE AS MEASURED BY THE NUMBER OF PEOPLE CLAIMING A TAX DEDUCTION FOR LONG TERM CARE INSURANCE ON THEIR STATE INCOME TAX RETURNS

Annual LTC Insurance Tax Deductions Claimed



COMMENT AND NOTES: Data provided by the Montana Department of Revenue, Tax Policy and Research Bureau. Tax year data for 2007 will not be available until November 2008.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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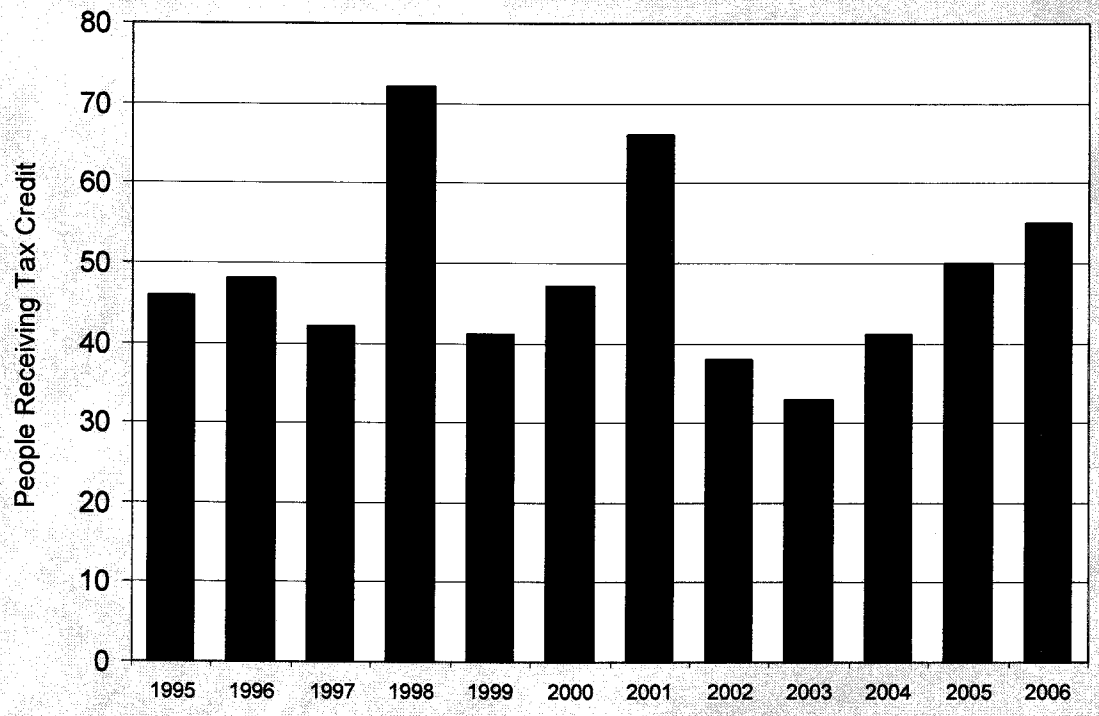
OBJECTIVE 2

INCREASE THE NUMBER OF PEOPLE TAKING THE TAX CREDIT FOR CARING FOR AN ELDERLY DEPENDENT

Tax Credit for Elder Dependent Care



COMMENT AND NOTES: Data provided by the Montana Department of Revenue, Tax Policy and Research Bureau. Tax year data for 2007 will not be available until November 2008.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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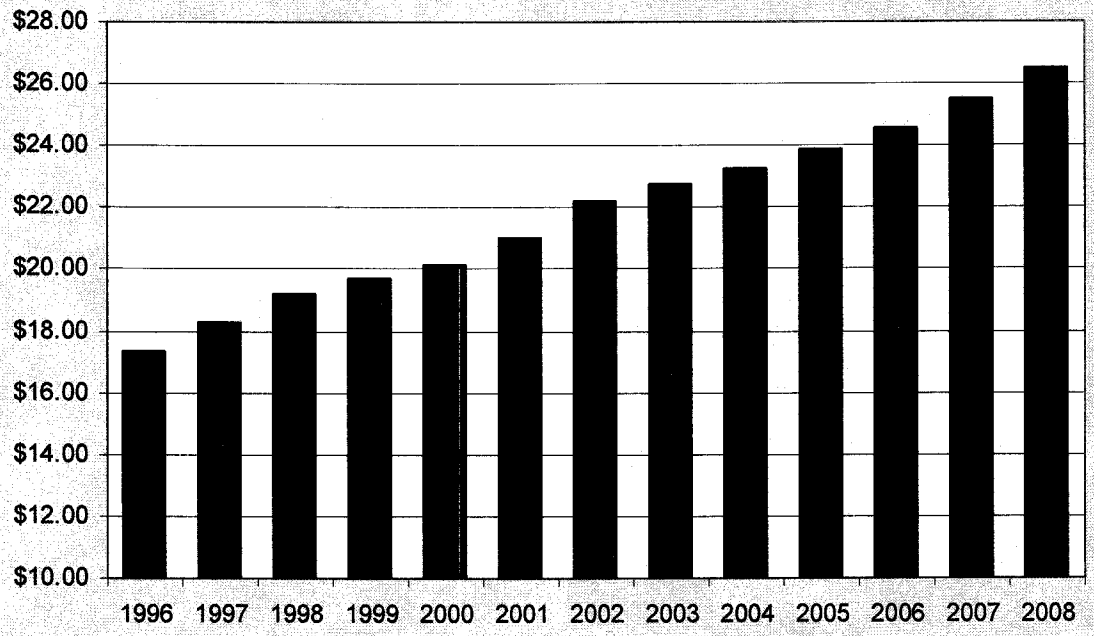
OBJECTIVE 3

INCREASE THE AVERAGE AMOUNT OF DAILY PATIENT CONTRIBUTION PAID TOWARDS MEDICAID NURSING HOME CARE

Average Daily Patient Contribution Towards Nursing Home Cost



COMMENT AND NOTES: Average Daily Patient Contribution is computed by dividing the total Nursing Facility Third Party Liability payments for each year by the number of Medicaid days of care for the given year.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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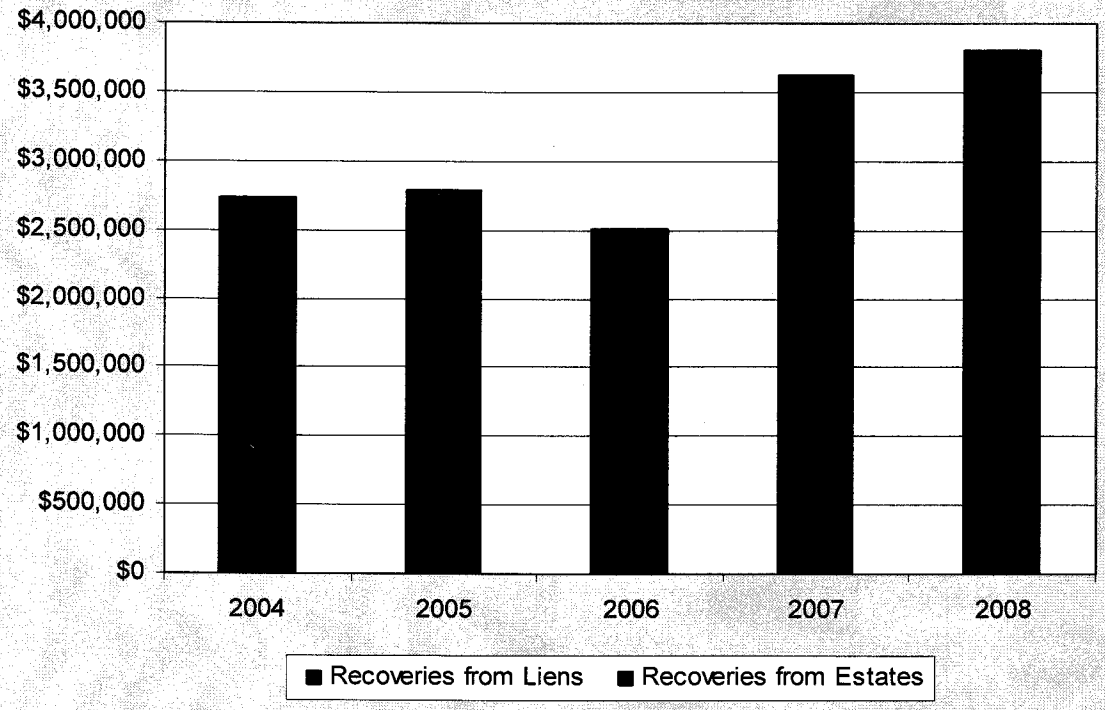
OBJECTIVE 4

INCREASE THE FUNDS RECOVERED UNDER THE MEDICAID LIEN AND ESTATE RECOVERY PROGRAM

Annual Medicaid Lien & Estate Recovery Data



COMMENT AND NOTES: The Omnibus Reconciliation Act of 1993 requires each state to recover the costs of nursing facility and other medical care from the estates of Medicaid recipients who receive services at age 55 or older, or are in a nursing home. The data comes from SABHRS.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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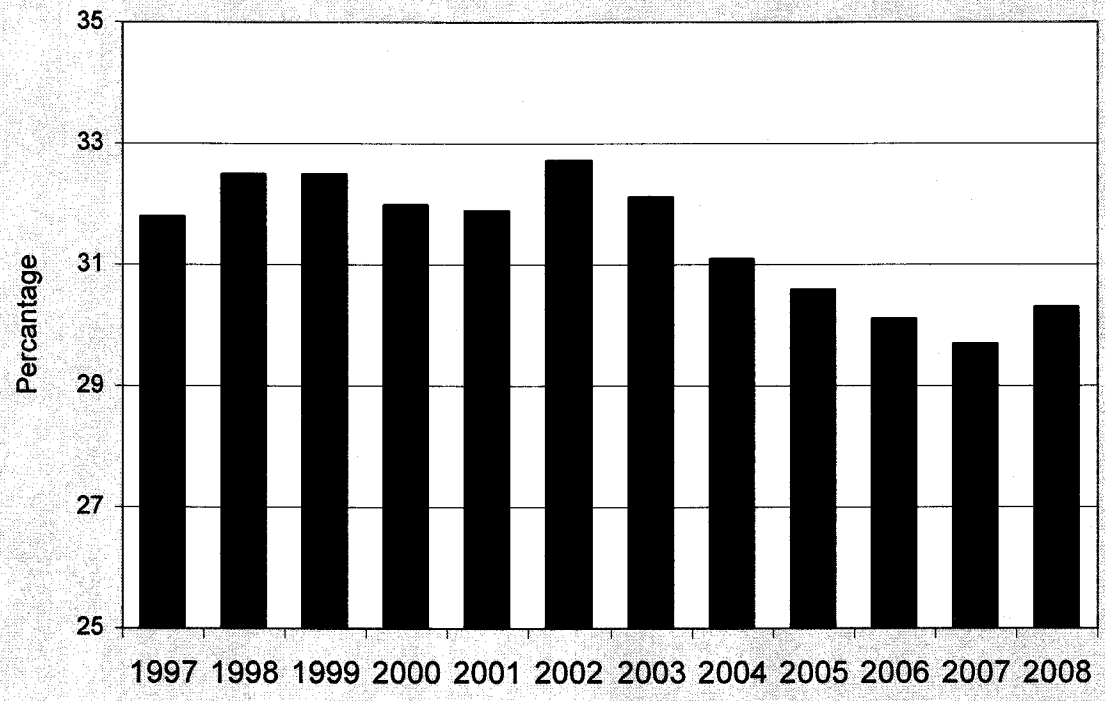
OBJECTIVE 5

INCREASE THE PERCENTAGE OF PEOPLE PRIVATELY PAYING FOR NURSING HOME CARE EACH STATE FISCAL YEAR

Percentage of Bed Days Paid for Privately



COMMENT AND NOTES: The data is a comparison of Private Pay Bed Days as reported on Nursing Facility Staffing Reports to Total Bed Days occupied. In addition to Private Pay Bed Days, approximately 60% of all bed days are paid by Medicaid. Medicare pays for approximately 9% of all bed days. Statewide occupancy rate was 73% in 2008.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 1

INCREASE THE AVERAGE ANNUAL REIMBURSEMENT RATE FOR ALL SENIOR AND LONG TERM CARE DIVISION PROVIDERS

PROGRAM	YEAR	REIMBURSEMENT RATES	PERCENTAGE CHANGE
Aging Services	2001	$5,144,769	
	2002	$5,802,996	12.9%
Total annual	2003	$6,292,794	8.4%
expenditures	2004	$6,610,617	5.1%
	2005	$6,196,968	-6.3%
	2006	$6,691,749	8.0%
	2007	$6,819,839	1.9%
	2008	$9,072,534	33.0%
Home Health	2001	$62.56	
	2002	$63.50	1.5%
Cost/visit	2003	$63.50	0%
	2004	$63.50	0%
	2005	$63.50	0%
	2006	$65.41	3%
	2007	$65.41	0%
	2008	$67.05	2.5%
Hospice	2001	$107.93	
	2002	$108.63	0.6%
Cost/day	2003	$111.49	2.6%
	2004	$113.74	2%
	2005	$117.13	3%
	2006	$122.55	4.6%
	2007	$127.01	3.6%
	2008	$127.51	0.4%
Personal Care	2001	$3.22	
(Agency based)	2002	$3.45	7.1%
	2003	$3.45	0%
Cost/15 minutes	2004	$3.45	0%
	2005	$3.45	0%
	2006	$3.80	10.1%
	2007	$3.80	0%
	2008	$4.57	20.3%

PROGRAM	YEAR	REIMBURSEMENT RATES	PERCENTAGE CHANGE
Personal Care	2001	$3.05	
(Self directed)	2002	$3.45	3.6%
	2003	$3.45	0%
Cost/15 minutes	2004	$3.45	0%
	2005	$3.45	0%
	2006	$3.50	10.8%
	2007	$3.50	0%
	2008	$3.84	9.7%
Nursing Facilities	2001	$99.88	
	2002	$112.87	13%
Medicaid Cost/day	2003	$118.96	5.4%
	2004	$129.27	8.7%
	2005	$134.74	4.2%
	2006	$146.91	6.2%
	2007	$151.04	2.8%
	2008	$159.06 (est.)	5.3%

COMMENT AND NOTES: Program specific reimbursement rates are as follows:

- Aging Services reimbursements are by total yearly contract dollars;
- Home Health is reimbursed on a per visit basis;
- Hospice rates are for routine home care per day; and
- Nursing Facilities are reimbursed on a daily rate. Data is for Medicaid rates from the Medicaid Cost Analysis Report. When the program began in FY 2001, the Intergovernmental Transfers (IGT) increased Nursing Facility reimbursement rates by $2.15 per day. It has increased yearly and in FY2008 the IGT impact was projected to be an additional $5.28 per day.

REPORT DATE: September 1, 2008

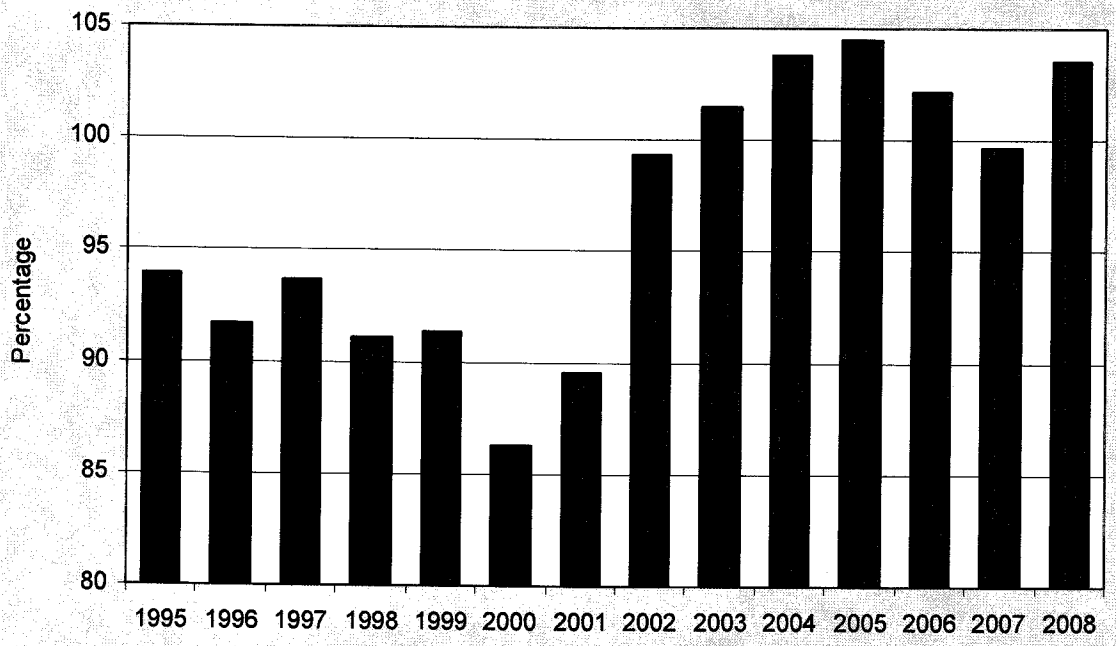
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 4

MAINTAIN OR INCREASE THE CURRENT PERCENTAGE OF REASONABLE COSTS PER DAY REIMBURSED BY THE MEDICAID NURSING HOME PROGRAM

Percentage of Average Medicaid Nursing home Reimbursement Rate to Average Cost of Care Per Day



COMMENT AND NOTES: The data reflects the portion of Statewide Average Cost per Day reimbursed across all Nursing Facilities. Cost per Day is derived from Nursing Facility Cost Reports and includes property, direct care/nursing and operating costs. Cost per Day and Reimbursement Rates vary across all facilities. The IGT impact in 2008 was $4.73.

REPORT DATE: December 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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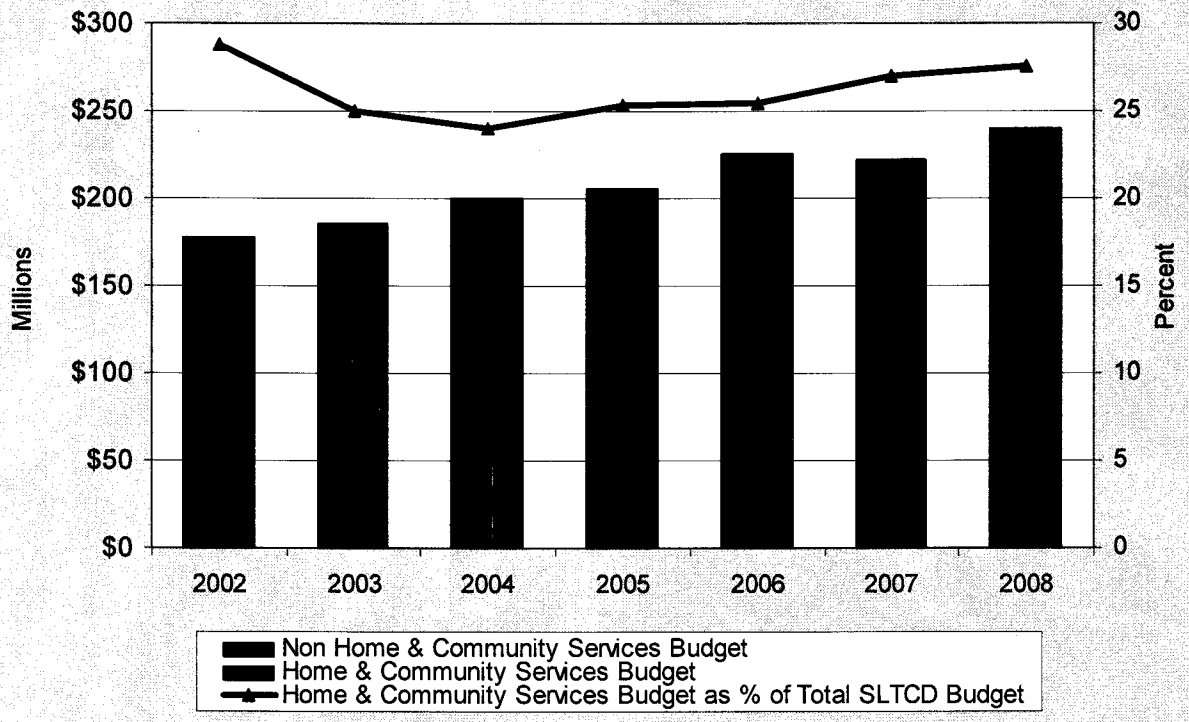
OBJECTIVE 1

INCREASE THE TOTAL AMOUNT OF THE SLTC DIVISION BUDGET THAT GOES TO HOME AND COMMUNITY SERVICES

Home & Community Services Budget as a Percentage of Total SLTCD Budget



COMMENT AND NOTES: The SLTCD's home and community services budget includes expenditures for the following programs: HCBS Waiver; Home Health; Personal Care Assistance (PCA); Ombudsman; Meals on Wheels; Homemaker; Adult Protective Services; and State Supplemental payments.

REPORT DATE: November 1, 2008

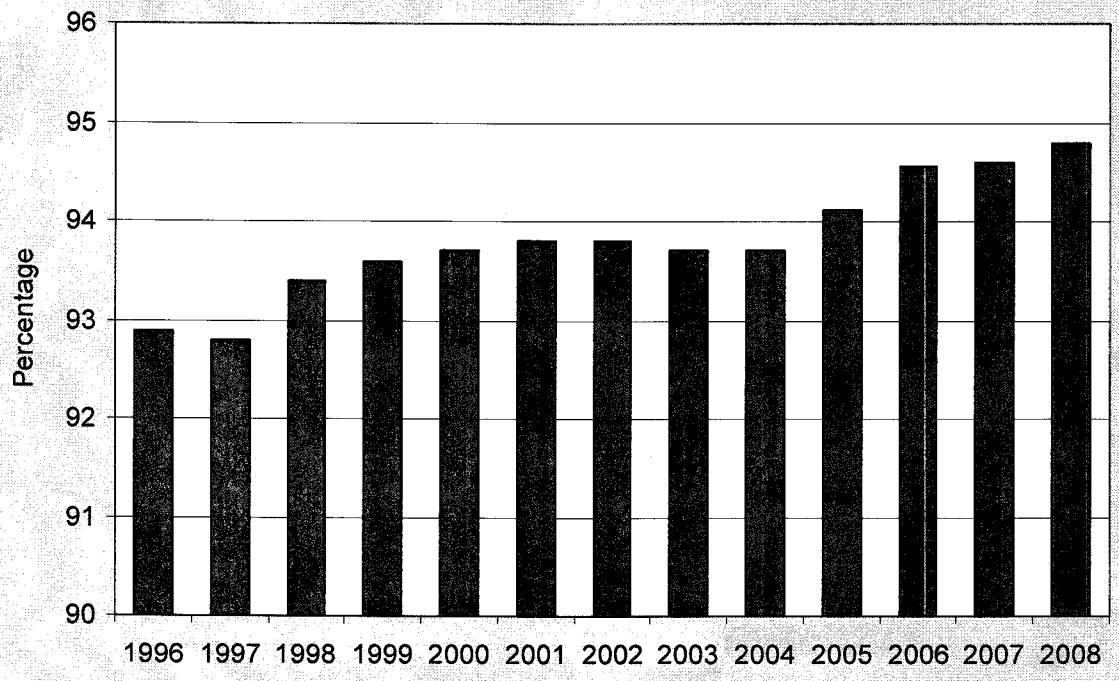
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 2

INCREASE THE PERCENTAGE OF MONTANANS AGE 65 OR OLDER WHO LIVE AT HOME OR IN SMALL RESIDENTIAL ALTERNATIVES

Percentage of Elderly Montanans Living at Home or in Residential Alternatives



COMMENT AND NOTES: The data is derived from the differences between the estimated census data of Montanans age 65 or older for a given year and the estimated number of Montanans age 65 or older living in nursing facilities.

REPORT DATE: September 1, 2008

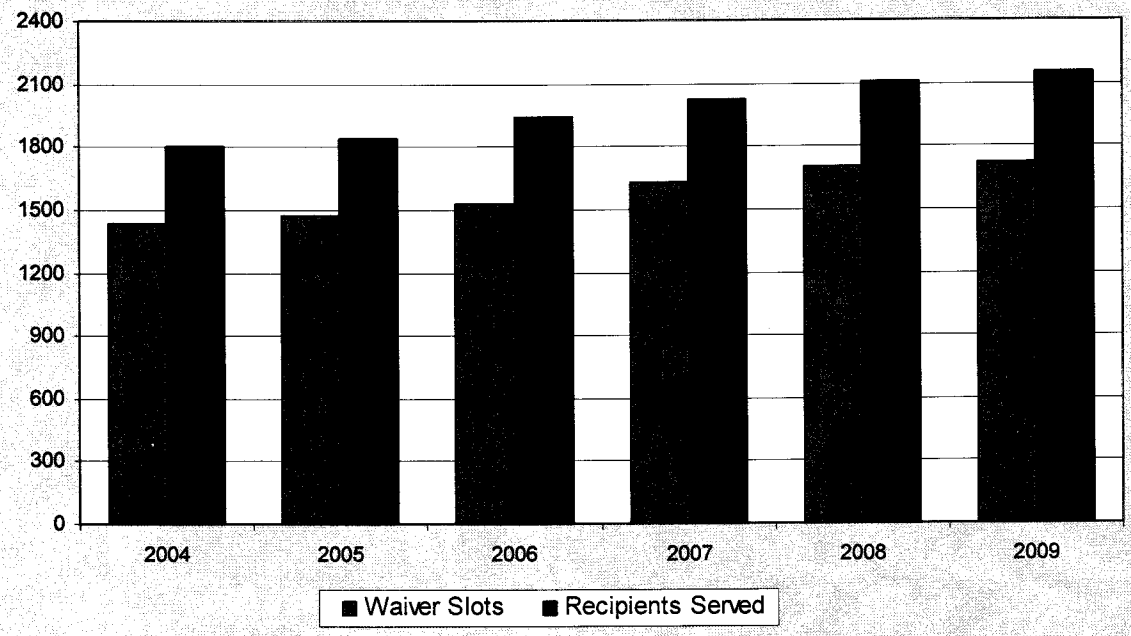
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 3

INCREASE THE NUMBER OF PEOPLE SERVED UNDER THE MEDICAID HOME AND COMMUNITY BASED WAIVER BY AT LEAST 100 OVER THE BIENNIUM

Montanans Served by Medicaid Home & Community Waiver



COMMENT AND NOTES: The number of Waiver recipients is approximately 25% higher than the number of slots. The 2009 data is projected.

REPORT DATE: September 1, 2008

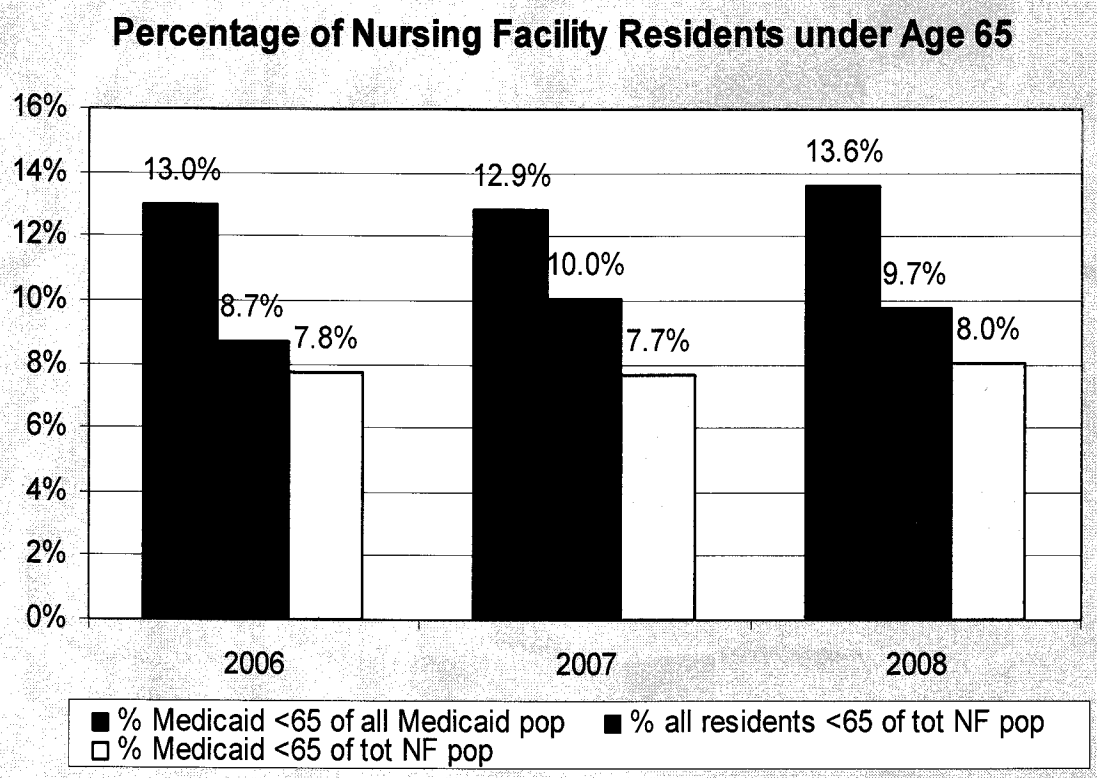
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

[redacted]

OBJECTIVE 4

MAINTAIN OF REDUCE THE PERCENTAGE OF NURSING FACILITY RESIDENTS UNDER AGE 65



COMMENT AND NOTES: The data is from point-in-time snapshots from MDS data on all nursing facility residents in Montana Nursing Homes under age 65 and identified by payer source. Total under 65 population in nursing facilities: for 2006 = 450; for 2007 = 497; for 2008 = 475.

REPORT DATE: September 1, 2008

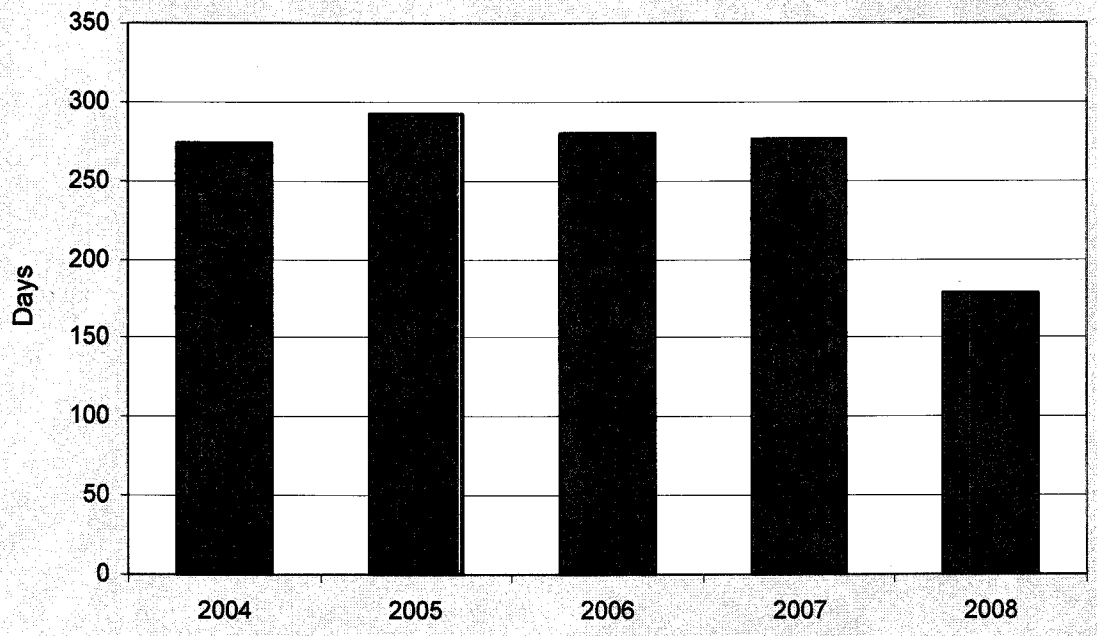
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 6

MAINTAIN THE AVERAGE LENGTH OF STAY FOR AN INDIVIDUAL ON THE HCBS WAIVER WAITING LIST AT LESS THAN ONE YEAR

Average Annual Days on HCBS Waiver Waiting List



COMMENT AND NOTES: Selection for the HCBS Waiver is based on need at the time of an opening rather than the length of time on the waiting list.

REPORT DATE: September 1, 2008

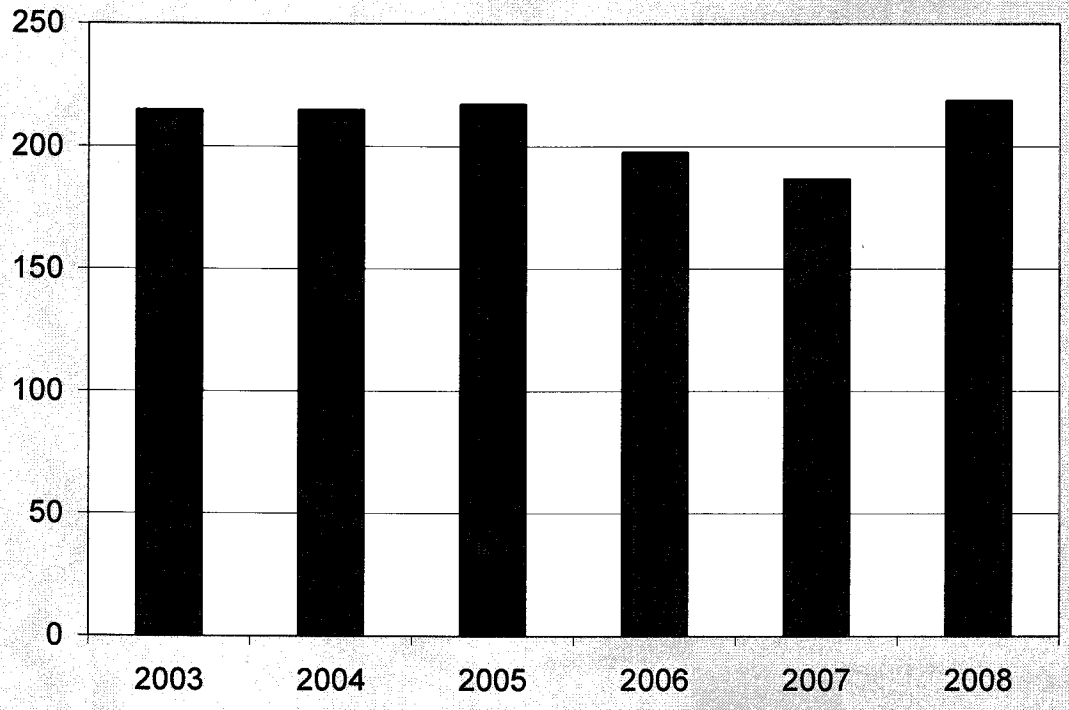
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 3

DECREASE THE NUMBER OF GUARDIANSHIPS OF INCAPACITATED INDIVIDUALS HELD BY STATE AGENCIES

State Held Guardianships



COMMENT AND NOTES: Adult Protective Services (APS) is the department's guardianship option of last resort. APS' goal is to reduce its state held guardianships by 10 each year. There are two challenges to this objective: District Courts' unilateral ability to assign guardianships to APS; and the failure of other governmental entities and families to assume the responsibility of adult guardianships.

REPORT DATE: September 1, 2008

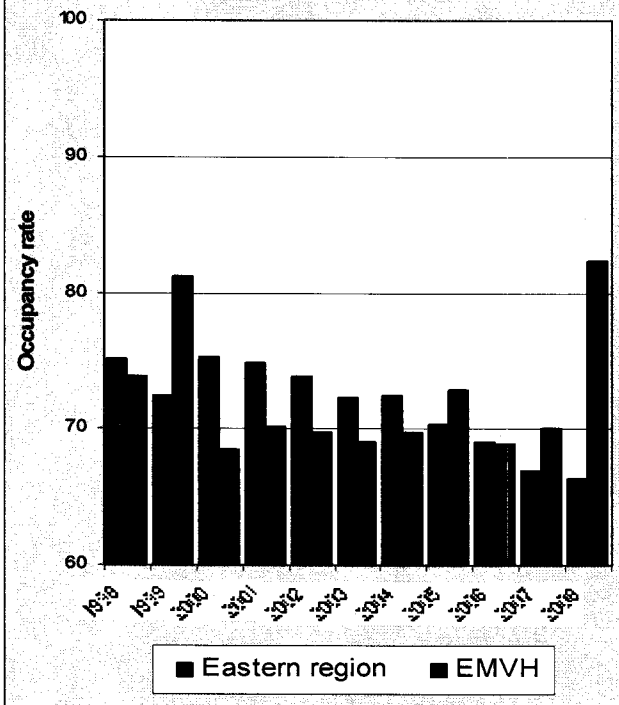
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

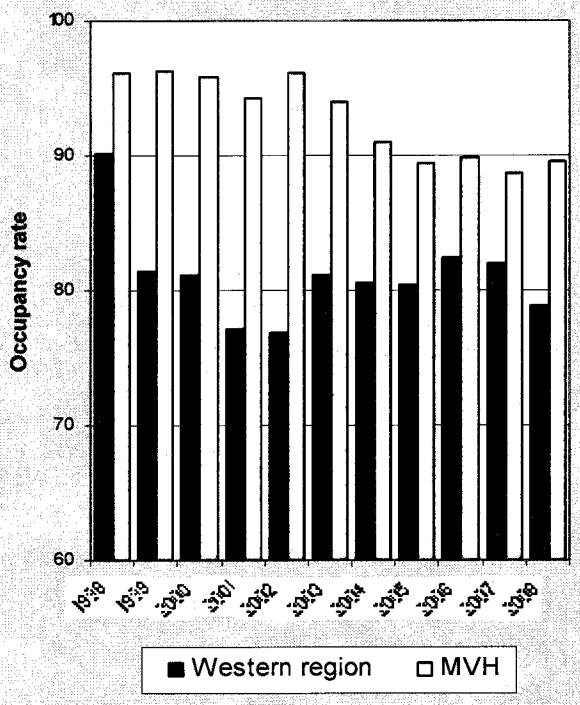
OBJECTIVE 2

ACHIEVE AND MAINTAIN OCCUPANCY RATES EQUAL TO OR GREATER THAN THOSE OF OTHER NURSING FACILITIES IN THE REGION OF THE STATE IN WHICH EACH VETERANS HOME IS LOCATED

Eastern MT Veterans Home



MT Veterans Home



COMMENT AND NOTES: The Eastern Montana Veterans Home (EMVH) is in Glendive and the Montana Veterans Home (MHV) is in Columbia Falls. The western region includes: Whitefish, Columbia Falls, Kalispell, Bigfork, Ronan and Polson. The eastern region includes: Glendive, Miles City, Wibaux and Baker.

REPORT DATE: September 1, 2008

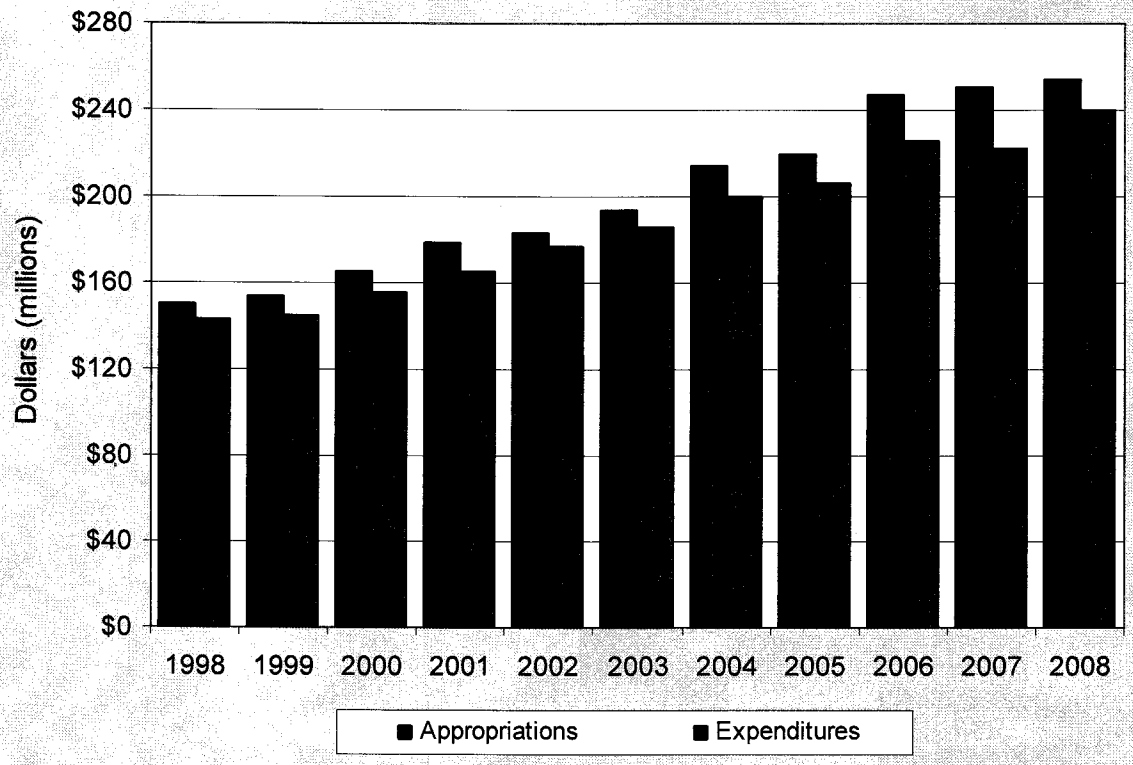
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 1

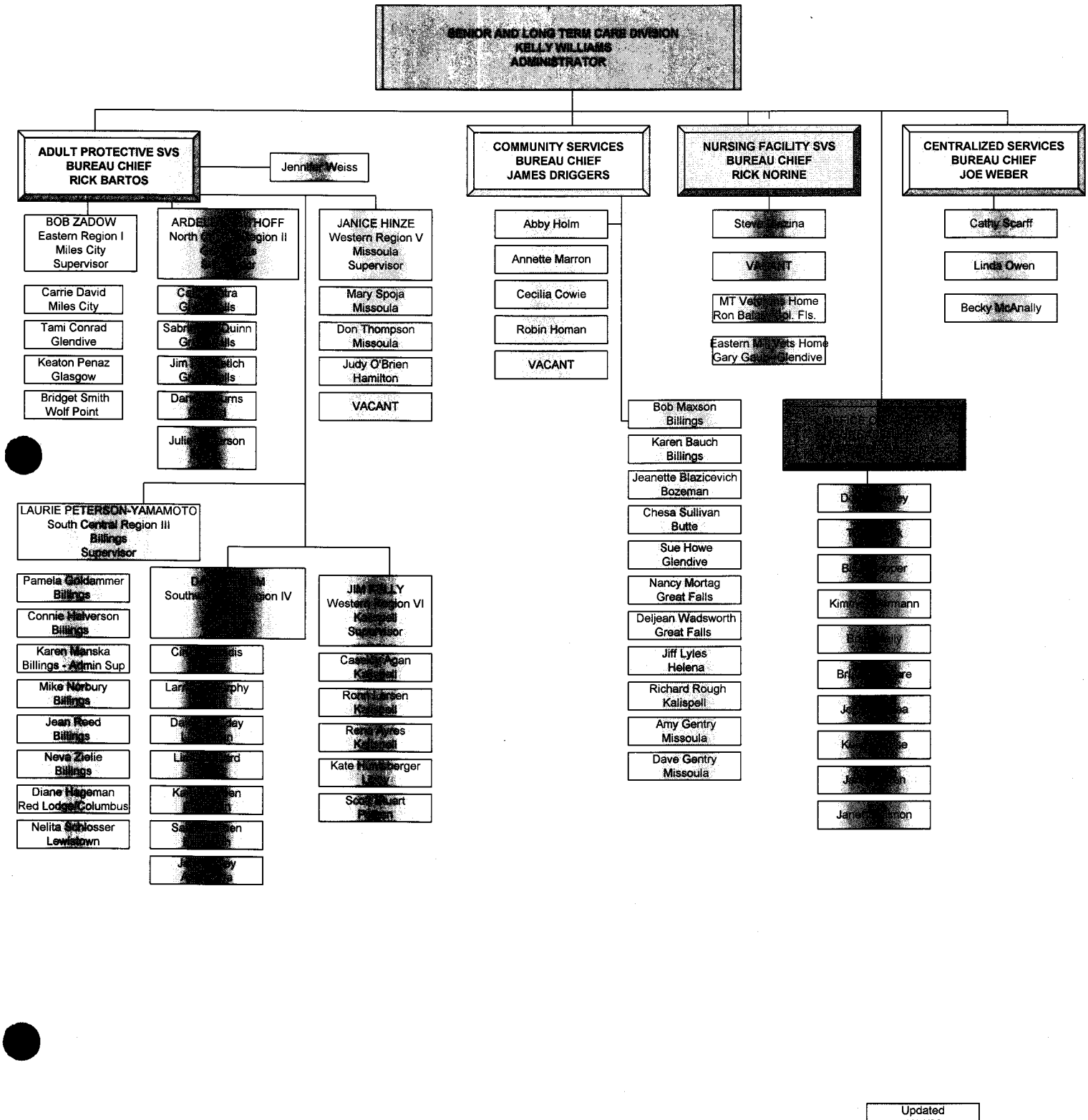
MAINTAIN THE TOTAL LONG TERM CARE EXPENDITURES OF THE SENIOR AND LONG TERM CARE DIVISION WITHIN THE BUDGET ESTABLISHED BY THE LEGISLATURE FOR EACH YEAR OF THE 2008/2009 BIENNIUM

SLTCD Appropriations vs Expenditures



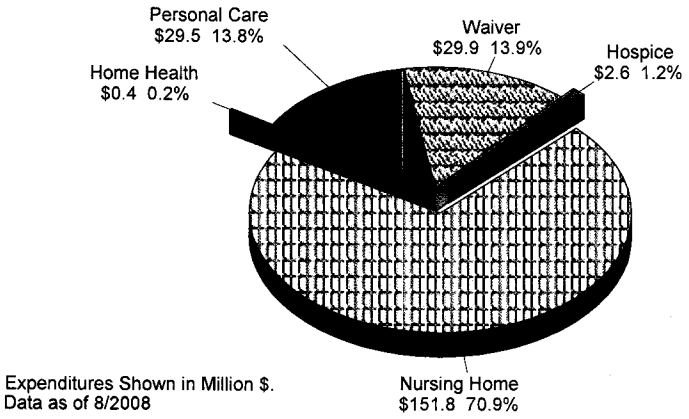
COMMENT AND NOTES: Senior and Long Term Care Division expenditures continue to remain within the legislatively established budget. Data from State Fiscal Year 2001 forward comes from SABHRS.

REPORT DATE: September 1, 2008


SENIOR AND LONG TERM CARE DIVISION
KELLY WILLIAMS
ADMINISTRATOR
ADULT PROTECTIVE SVS
BUREAU CHIEF
RICK BARTOS
Jennifer Weiss
BOB ZADOW
Eastern Region I
Miles City
Supervisor
Carrie David
Miles City
Tami Conrad
Glendive
Keaton Penaz
Glasgow
Bridget Smith
Wolf Point
JANICE HINZE
Western Region V
Missoula
Supervisor
Mary Spoja
Missoula
Don Thompson
Missoula
Judy O'Brien
Hamilton
VACANT
LAURIE PETERSON-YAMAMOTO
South Central Region III
Billings
Supervisor
Pamela Goldammer
Billings
Connie Halverson
Billings
Karen Manska
Billings - Admin Sup
Mike Norbury
Billings
Jean Reed
Billings
Neva Zielie
Billings
Diane Hageman
Red Lodge/Columbus
Nelita Schlosser
Lewistown
JIM KELLY
Western Region VI
Kalispell
Supervisor
COMMUNITY SERVICES
BUREAU CHIEF
JAMES DRIGGERS
Abby Holm
Annette Marron
Cecilia Cowie
Robin Homan
VACANT
Bob Maxson
Billings
Karen Bauch
Billings
Jeanette Blazicevich
Bozeman
Chesa Sullivan
Butte
Sue Howe
Glendive
Nancy Mortag
Great Falls
Deljean Wadsworth
Great Falls
Jiff Lyles
Helena
Richard Rough
Kalispell
Amy Gentry
Missoula
Dave Gentry
Missoula
NURSING FACILITY SVS
BUREAU CHIEF
RICK NORINE
MT Veterans Home
Eastern MT Vets Home
Gary
Glendive
CENTRALIZED SERVICES
BUREAU CHIEF
JOE WEBER
Cathy Scarff
Linda Owen
Becky McAnally
Updated
1/14/09

The largest source of funding in the Division is the federal Medicaid program.

SFY 2008 Expenditures For Medicaid Long Term Care Services

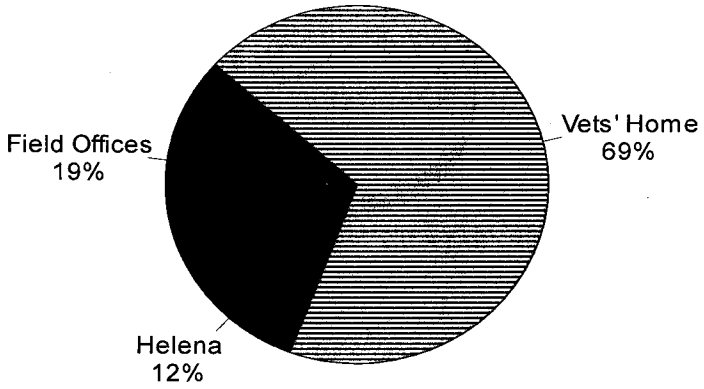


Expenditures Shown in Million $.
Data as of 8/2008

Staffing

The Division has a total staff of 202.75 FTE, with 130 of these FTE working in the state operated veterans nursing facilities in Columbia Falls and in Glendive. 37 are Adult Protective Services social workers in various locations around the state and 11 are community services regional program staff in eight offices across the state.

Senior and Long Term Care Division Employees By Location - SFY 2008



08 emp

Overview

This is a brief description of the division and its purpose/mission, including major bureaus, programs, and/or organizational chart.

The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages.

The Division is charged with serving three key groups of people: 1. Senior citizens who are in need of or who are planning for long term care; 2. People with serious disabilities who are in need of long term care and who are not developmentally disabled; and 3. Baby Boomers who are helping their parents as they age or planning to meet their own long term care needs in the future.

The Mission of the Division is to advocate for and promote dignity and independence for older Montanans and Montanans with disabilities by:

Providing information, education and assistance,
Planning, developing and providing for quality long-term care services, and
Operating within a cost-effective service delivery system.

Summary of Divisions Major Functions

The Division makes services available through six major programs:

1) The **Office on Aging** develops the state plan on aging and approves service delivery plans and programs developed by 10 Area Agencies on Aging located across Montana. Among the services provided by the Area Agencies are senior centers, Meals on Wheels, health services, transportation, public education, information and assistance, long-term care ombudsman and other services; **Page 46-52**

2) Medicaid **Community Services** Program pays for in-home, assisted living, and other community-based services, such as the home and community based services waiver, to Medicaid-eligible individuals as an alternative to nursing home care; **Page 25-38**

3) Medicaid **Nursing Facility** Program pays for short and long-term nursing care to Medicaid-eligible individuals in 85 Montana nursing homes. Nursing Homes are the largest portion of the divisions' budget; **Page 18-24**

4) **Adult Protective** services employs 37 adult protective services social workers across the state whose duties include investigating allegations of abuse, neglect and exploitation of the elderly and people with disabilities. They also

arrange for and coordinate a variety of support services aimed at protecting vulnerable people for abuse, neglect and exploitation; **Page 39-45**

5) Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; **Page 53- 61** and **62-65**

6) The **State Supplemental Payments** Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities. The average number of persons receiving monthly state supplemental payments during FY2008 was 1,039. The funding for the State Supplement program is 100% state general funds. In FY2008 State Supplement payments totaled $1,086,791, of which $963,100 is for payments and $123,691 is for SSA handling fees. The majority of the State Supplement payments go to people living in group homes for people with developmental disabilities.

2009 Biennium Goals and Objectives

2009 goals and objectives tracked by the interim finance committee

Goal # 1: Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible

Objective/Measure	Status of Measure
Maintain or reduce the percentage of nursing facility residents under age 65.	The total number of individuals under age 65 residing in nursing facilities is 474 or 9.7% of the total nursing facility population. Currently 392 Medicaid individuals under age 65 reside in nursing facilities or 13.6%.
Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives	Currently 94.8 percent of all Montanans age 65 or older live in community settings, compared to 94.6 percent in 2007.
Increase the total amount of the SLTCD budget that goes to community services.	In FY2008, 28% of the SLTDC budget funded community services programs. In SFY 2007, 27% of the SLTCD budget funded community service programs compared to 25% in 2006.
Increase the number of people served under the Medicaid Home and Community Based Waiver over the biennium.	In SFY 2008, 2202 individuals were served under the HCBS waiver in 1696 slots as compared to 2046 individuals served in SFY 2007.
Maintain or reduce the average length of stay on the HCBS waiver waiting list to less than one year	The 2008 average length of stay was 179 days on the HCBS waiver waiting list. The average length of stay on the HCBS waiver waiting list was 277 days in 2007 and 280 days in 2006. Waiting list is currently 471 individuals.

Goal # 2: Increase the ability of Montanans to prepare to meet their own long term care needs or the long term care needs of a relative or a friend.

Objective/Measure	Status of Measure
Maintain or increase the number of home delivered meals served through the Aging network.	656,585 home delivered meals were provided in FY 2008 compared to 625,603 meals in FY 2007. While funding increased in the aging services programs the cost to produce and deliver a meal increased as well resulting in stable utilization data.
Increase the number of care givers receiving supportive services (including respite care) and increase the project income for these services.	Project income specifically from caregiver services has increased from $67,305 to $82,650 between 2006 and 2007. Number of caregivers receiving respite services increased from 368 to 527 in 2007.
Develop a coordinated continuing public education campaign to inform Montanans about long term care issues and options emphasizing the need for long term care planning and personal responsibility.	Continuing public education about long term care issues and options were provided through: 100 Aging Horizons TV shows broadcast in 8 markets over Bresnan cable network; 60,000 phone and personal contacts were made by I & A technicians to provide information on aging services and assist in resolving caller concerns.
Other data that measures the level of personal responsibility and planning that individuals are doing to meet their future needs that can be measured to determine whether this goal is being attained. (i.e. long term care insurance claimed on state tax forms).	Number of individuals claiming the long term care insurance tax deduction on state income tax returns increased from 10,624 in 2005 to 11,799 in 2006 and to 13,172 in 2007. Number of individuals taking the elderly /dependent tax credit on their state return increased from 50 in 2005 to 55 in 2006.

Major Accomplishments 2009 Biennium:

The Division implemented or expanded several programs with funding provided by the 2007 Legislature over the 2009 biennium. Some of the areas are highlighted below and other are addressed in more detail in the write up related to those specific Division programs.

-**Health Care for Health Care Workers**: The 2007 Legislature provided approximately $2.6 million dollars of Medicaid funding to provide rate increases when health insurance is provided for direct care workers in the personal assistance and private duty nursing programs. Funds available for Health Care for Health Care Workers must be used to cover premiums for health insurance that meets defined benchmark criteria. Funding was appropriated for six months beginning January 1, 2009.

Effective January 1, 2009 seventeen **(17)** Medicaid personal assistance and private duty nursing providers are offering comprehensive health insurance coverage to their workers, including dental coverage with the health care for health care worker funding. Thus far, seven hundred forty-seven **(747)** workers across the state have enrolled in their agency's health insurance plan. A few agencies were unable to begin coverage on January 1, but intend to participate in future months. All agencies except one will also provide dental coverage

Participating agencies were required to offer a health insurance plan that met specific benchmark standards established by the Department and to stay within a $450 monthly premium level limit. A few agencies were unable to receive health insurance quotes at that cost, thus the Department agreed to waive the $450 monthly level in certain circumstances so long as the agency was able to stay within their overall funding allocation and justify a need for an increase beyond the $450 premium level. All of the participating agencies were able to offer health insurance plans that met a majority if not all of the Department's benchmark standards.

The monthly premium for which an employee is responsible ranges from $0-$25 per month. A majority of the agency's workers pay a $25/month insurance premium. A majority of the participating agencies established eligibility criteria for health insurance coverage at 20 hours per week. The range of hours a worker must work to be eligible for health insurance coverage is 20-30 hours per week, depending upon the agency.

-**Direct Care Wages**: The 2007 Legislature approved funding for a direct care worker wage increase to bring minimum wage up to $8.50 per hour, and added additional funding to provide for wage and benefit increases of up to an additional $.70 cents per hour for workers in nursing facilities and in community-based programs.

- **Provider Rates:** The 2007 Legislature approved a 2.5% provider rate increase in nursing facility and community services programs, as well as for aging services programs in each year of the biennium starting July 1st of each year.

- **Aging Services Funding:** The 2007 legislature provided a One Time Only general fund appropriation of $1,500,000 for each year of the biennium to expand community based aging service programs. These funds were passed through to local Area Agencies on Aging to provide community services, in home services and access services to elderly citizens and family caregivers. Some of these funds were used for one time activity, such as senior center repairs and maintenance, and others to expand congregate and home delivered meals programs.

-**Waiver Services**: The 2007 Legislature funded expansion of the home and community based services waiver by approximately 102 individuals over the biennium. Average length of stay on the waiver waiting list was reduced from 277 days in 2007 to 179 days in 2008. Current waiting list is 471 individuals.

- **Nursing Home Transition Project** Since the initial development of Montana's Home and Community-Based (HCBS) Waiver in 1982, residents of Montana nursing facilities have routinely returned to their own homes or moved into small residential settings such as Assisted Living Facilities. In addition to these ongoing placements, beginning in FY 2000 the Senior and Long Term Care Division (SLTCD) implemented a more proactive strategy to identify nursing facility residents who want to move into community services, and for whom appropriate, cost effective, community services could be developed. These nursing facility transition projects have been implemented in the spirit of providing services in the least restrictive environment and in cooperation with nursing facilities and the HCBS Waiver case management teams. Since FY 2004, over 150 people have transitioned from nursing homes into community services; with dollars for services following them from the nursing facility into the community in money follows the person approach to rebalancing the long term care system. In fiscal year 2008 a total of 44 individuals transitioned into community placements. Of the individuals transferred in 2008, 14 were under age 65. Currently there is another transition project under way which is expected to transition approximately 48 individuals in 2009, with 15 who are under the age of 65.

-**SB206 Report– Health Care Insurance for Health Care Workers**: Senate Bill 206 was introduced in the 2007 Legislative Session, Sponsors Senator Cobb and Senator Weinberg, that required DPHHS (DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES) to:

(1) conduct a study to determine the feasibility, impact, and cost of providing employer-sponsored health insurance to personal-care attendants and direct-care employees of organizations that receive the majority of their revenue as a result of providing Medicaid-funded Long-Term Care Services by increasing certain Medicaid payments to their employees and requiring the increased payments be used to fund the Health Insurance
(2) authorizing the Department to establish a pilot program
(3) requiring a report to the legislature
(4) providing rulemaking authority
(5) and providing an immediate effective date and termination date.

During FY 2008, Senior and Long Term Care Division, Addictive and Mental Disorders and Disability Services Division sent out provider and worker surveys to gather information for this report. Copy of this report is being provided.

9.8 Additional FTE were approved by the 2007 Legislature:

1.5 FTE Adult Protective Services workers was added to augment protective services needs across the state.
5.8 FTE was added to provide additional direct care staffing resources in the Special Care Unit at the Montana Veterans Home in Columbia Falls.
1 FTE was added to the State Ombudsman program, and
1 FTE to the State Health Information Program (SHIP) to address the increasing elderly population and the increased demand for services and information.

2011 Biennium Goals and Objectives:

Department of Public Health and Human Services Senior and Long Term Care Division	
Goals and Objectives for the 2011 Biennium Submitted September 15, 2008	
GOAL: Advocate for and promote dignity and independence for older Montanans and Montanans with disabilities.	
Objective	**Measurement**
Increase the ability of Montanans to prepare to meet their own long term care needs, or the long tem care needs of a relative or a friend	Maintain a coordinated continuing education program to inform Montanans about long term care issues and options emphasizing the need for planning and personal responsibility
Ensure high quality publicly funded long term care services are available	Increase the number of home delivered meals and caregivers receiving support services, such as, respite through aging services network
Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible	* Increase the percentage of Montanans age 65 or older who live at home or in small community alternatives through expansions of funding to home and community based service alternatives. *Provide quality and access to publicly funded long term care through provider rate increases, direct care wage increases and health insurance initiatives for providers that serve high proportion of Medicaid consumers.
Protect senior citizens and people with disabilities who are at risk of abuse, neglect and exploitation while maintaining maximum independence and self-determination	Support abuse prevention activities through development of chapters on prevention of elder abuse while reducing state held guardianships
Develop and provide efficient, effective, high quality nursing facility services to Montana veterans	Meet licensure and certification standards for nursing facility services under federal and state, as well as, veterans' administration guidelines

Significant Issues:
A brief list of issues that may present obstacles or challenges to ensuring achievement of the performance measurements for the 2011 goals outlined above. More detail on significant issues is found in individual program write ups.

Medicaid caseload uncertainty (various pages)
Aging Demographic Increases (Page 49)
Demand for community based service alternatives (Page 27)
Increased referrals to Adult Protective Services (Page 41)
Recruitment and Retention of Staff at Veterans Home (55-58)

2010/2011 Decision Packages
Summarize DPs and briefly describe the need. Include detail on significant issues.

Present Law Adjustments:

DP 7101-Fuel Inflation Reduction- This request reduces the inflation factor applied to gasoline and diesel expenditures to 0%. Total impact is a reduction of general fund of $4,962 over the biennium and $13,505 total funds. (See LFD book, page B)

PL 22201- Montana Veterans Home Contingency Funds – Continue appropriation of $250,000 in state special revenue for each year of the biennium. Can only be used with Budget Office Approval if federal and/or state special revenue is insufficient to operate the Veterans Home in order to maximize the draw down of federal funds. (See LFD book, page B-278)

PL 22202 Healthcare for Healthcare Workers-This request annualizes the funding provided last biennium for six months beginning January 1, 2009, for a provider rate increase to be focused at paying for health insurance premiums for workers in personal assistance and private duty nursing program where agency provides the employees with health insurance coverage that meets a set of defined benchmarks. Funding request is $10,260,000 for the biennium with $917,763 from the general fund and $2,441,361 from state special revenue and $6.9 million federal funds. (See LFD book, page B-266-B269)

PL22203- Dept of Transportation Cars- This decision package requests $46,914 over the biennium with $23,457 from the general fund to replace four department owned cars with leased cars. (See LFD book, page B-288)

PL22205- Nursing Home IGT Adjustment- This request reflects a decrease in the FY 2010 and a slight increase in FY 2011 in the funding needed for maintaining the nursing home intergovernmental fund transfer payment program. Total request represents a net decrease of $164,558 for the biennium with no funding coming from the general fund. (See LFD book, page B-269)

PL 22206 Annualize Nursing Home Provider Increase-This request is for $7.1 million over the biennium including $2.2 million in general funds and $50,502 in State Special Revenue funds to annualize the 2.5% provider rate increase that was appropriated for fiscal year 2009 for nursing facility providers and adjusts the funding levels between 2008 and 2009. (See LFD book, page B-269)

PL 22207 Annualize Home Based Provider Increase- This request is for $1.5 million in total funding including $508,613 in general funds to annualize the provider rate increase that was appropriated for fiscal year 2009 for the home based program which includes the Medicaid funded home health, personal assistance and hospice program. This request annualizes the increase that occurs in fiscal year 2009 and adjusts the funds between the 2008 and the 2009 fiscal years between the Medicaid initiatives account and the general fund. (See LFD book, page B-270)

PL 22208 Annualize Community Based Waiver Increase-Request for $1,500,000 in total funds including $508,613 in general funds to annualize the 2.5% provider rate increase that was appropriated for community services program, which includes the Medicaid funded elderly and physically disabled waiver program. This request annualizes the increase that occurs in fiscal year 2009 and adjusts the funds between the 2008 and the 2009 fiscal years between the Medicaid initiatives account and the general fund. (See LFD book, page B-270)

PL 22209 Annualize Aging Services Provider Increase-This request is for $452,620 in general funds to annualize the 2.5% provider rate increase appropriated by the 2007 legislature for the aging services program. (See LFD book, page B-282)

PL 22210 MVH Restore Overtime/Holidays Worked- This request is for $769,325 over the biennium from cigarette tax state special revenue to provide for adjustments in personal service costs for overtime, holiday pay and differential. (See LFD book, page B-278)

PL 22211 State Supplemental Payments- This request requests $129,658 in general fund for the biennium to address the anticipated cost of state supplemental payments. State Supplemental payments are a supplement to SSI eligible individuals who reside in designated residential care facilities, such as community homes for persons with developmental disabilities, adult foster homes or assisted living facilities. Monthly benefits are $94 on average with an administrative processing fee of $10.55. (See LFD book, page B-282)

PL 22212 Annualize Waiver and Fund Switch- This request is to annualize the cost of the waiver expansion slots appropriated by the 2007 Legislature. The Legislature provided funding for expansion for approximately 102 new service slots in the home and community based waiver. Due to the timing of these funds all of the 102 slots could not be allocated and filled on July 1, so are not fully reflected in the 2008 base expenditures. This request is for $821,456 in state special revenue funds and $746,172 in federal funds and a reduction of $467,404 in general funds for the biennium. The general fund reduction recognizes the change in funding from general

fund to Medicaid initiative account as appropriated in FY 2009. (See LFD book, page B-270)

PL 22213 Annualize IGT Offset Funding- The 2007 Legislature added $2.8 million of general fund over the biennium to offset county nursing home intergovernmental transfer (IGT) state special revenue used as state Medicaid match for nursing home services and home based services, contingent on federal rule changes that would prohibit or restrict the use of IGT funds as state match or if the IGT program does not remain viable. Approximately $720,000 of this contingency was used in FY 2008 to maintain the IGT program. This request is to continue this contingency funding by requesting $1.7 million in general funds for the 2011 biennium for both nursing facilities and home based services. (See LFD book, page B-270)

PL22214 Home Based Caseload-This proposal reflects the anticipated caseload adjustment for Medicaid home based services that include personal care, home health and hospice, Caseload is expected to grow at approximately 5.4% per year with an estimated cost of $10 million in total funds over the biennium including $3.3 million in general funds. (See LFD book, page B-271)

PL 22215 Nursing Home Caseload Adjustment- This proposal reflects that anticipated decrease of three-quarters of a percent (.75%) per year in Medicaid nursing home caseload for the 2011 biennium. This request also addresses the impact of an adjustment necessary to the nursing home base budget for an accrual error that occurred at fiscal year end. This request is for $6.2 million additional funds over the biennium including $1.9 million in general funds and $4.2 million in federal funds. The accrual error represents approximately $5.4 million total funds in each year of the biennium. (See LFD book, page B-271)

PL 22216 Medicaid Nursing Home FMAP Adjustment-This request provides an increase in general fund of $2.3 million over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in the Federal Medical Assistance Percentage rates for FY 2010 and FY 2011. FMAP rates for 2010 are .3251 and for 2011 .3297. (See LFD book, page B-272)

PL 22217 Medicaid Waiver FMAP Adjustment- This request provides an increase in general fund of $481,033 over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in the Federal Medical Assistance Percentage rates for FY 2010 and FY 2011. FMAP rates for 2010 are .3251 and for 2011 .3297. (See LFD book, page B-272)

PL 22218 Home Based Medicaid FMAP Adjustment- This request provides an increase in general fund of $479,418 over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in the Federal Medical Assistance Percentage rates for FY 2010 and FY 2011. FMAP rates for 2010 are .3251 and for 2011 .3297. (See LFD book, page B-272)

PL 22219 Operating Cost Adjustments-This request is for $538,710 total funds including $168,034 in general funds to provide for rate increase of 3% for contracted services. This request also includes an adjustment to reflect contract services received during FY 2008 that were not billed until after year-end and were not included in the base. In addition, this request includes a rent adjustment to reflect the Divisions move to non-DOA properties. (See LFD book, page B-286)

PL 22220 Increase in Federal Aging Grants- This request is for $307,709 in federal funds over the biennium to address increases in several grant awards in aging services programs. (See LFD book, page B-282)

PL 22222 MVH Operating Expenses- This request is for $527,300 over the biennium from cigarette tax state special revenue funds to provide for adjustments in operating costs intrinsic to the operation of the Montana Veterans Home that experiences fluctuations in costs due to the nature of the nursing home industry, and to replace the current three meal plan with a new five meal plan that is aimed at reducing waste and provide increased meal options to residents in future years. (See LFD book, page B-278)

New Proposals

NP 8101 Increasing Vacancy Savings from 4% to 7%- This decision package represents the increase in vacancy savings rates from 4% to 7%. There is a 4% vacancy savings built into the adjusted base and this reduction recognizes the additional 3%. Total funds reduced in the biennium are $259,309 with $182,623 coming from the general fund. Institutions were not assessed the additional 3% vacancy savings. (See LFD book, page B)

NP22102 MVH/DOM Nursing Wing and Facility Upgrades- This proposal reflects the estimated cost of two repair and maintenance projects at the Montana Veterans Home in Columbia Falls. One will involve replacing flooring, doors and handrails in the nursing wing/hallway. The second will be to improve the Domiciliary, by refurbishing the rooms and repairing or replacing sinks, tiles etc. This project will be $165,000 in each year of the biennium funded with cigarette tax state special revenue. (See LFD book, page B-279)

NP 22105 MT Veterans Home Safety Officer- This request is for $110,958 of state special revenue for the biennium to add a 1.00 FTE for a safety office at the Montana Veterans Home. This position will focus on the total facility safety program including on the job training and safety analysis in order to reduce worker's compensation claims and increase safety programs for workers at this facility. (See LFD book, page B-279)

NP 22112 New APS Field Staff-This request is to add 4 additional adult protective services FTE over the biennium. Request is to add 2.5 FTE in 2010 and an additional 1.5 FTE in 2011, utilizing state special revenue from lien and estate recovery funds to handle the increase in adult abuse/neglect/exploitation referrals. Total fund request for the biennium is $384,842. (See LFD book, page B-288)

NP 22114 EMVH Facility Painting and Upgrades-OTO- This request is for $80,000 in state special revenue for the biennium for one time only painting, carpeting and repairs for the common areas and the resident rooms at the Eastern Montana Veterans Home. Due to the increase in wheelchair bound residents, the facility finds it necessary to replace carpet and paint and repair walls more frequently. (See LFD book, page B-279)

NP 22115 MT Veterans Home New CNAs FTE- This request is to add $448,388 in state special revenue from cigarette tax to fund 4.8 additional certified nursing assistant FTE to address increased resident acuity at the Montana Veterans Home. This request is to staff one certified nursing assistant on each shift for seven days each week or 1.6 FTE x 3 shifts for 4.8 FTE. (See LFD book, page B-279-280)

NP 22117 MVH Additional Aggregate RNs –Request is for $366,885 in additional state special revenue funds to add 2.00 FTE to the aggregate RN positions in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. (See LFD book, page B-280)

NP 22118 MVH Additional Aggregate LPNs- Request is for $61,217 in state special revenue from cigarette tax funding to add .50 FTE to the aggregate position for LPNs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. (See LFD book, page B-280)

NP 22119 MVH Additional Aggregate CNAs- Request is for $169,769 in state special revenue from cigarette tax funding to add 3.00 FTE to the aggregate position for LPNs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. (See LFD book, page B-280)

NP 22120 MVH Additional Aggregate Activity Positions- this request is for $221,673 in state special revenue funds for 3.0 Activity FTE. This is the position that the facility uses to pay trainees hired to take the four week certified nurse aide training class. The facility hires 10 people at $8.00 per hour plus benefits while they participate in the four week training class. Facility has an on-site training program and at the end of the training, the facility can retain most of these employees thus reducing the cost of using temporary nursing services. (See LFD book, page B -280)

NP 22122 MVH Wage Increases Based on Wage Survey-This request is for state special revenue funding in the amount of $167,615 over the biennium, to maintain competitive wages for professional nurses and nurse's aides at the Montana Veterans Home when compared with wages paid at other nursing homes in the Flathead Valley. This request provides a contingency fund to maintain competitive wages, utilizing a Flathead Valley Market survey for staff to determine if wages at the facility are significantly lagging behind other wages being paid for staffing at comparable facilities and allow the facility to make adjustments to stay competitive in staffing the facility. (See LFD book, page B-280)

NP 22223 Additional Funding for SLTCD HCBS- This proposal is focused at efforts to rebalance the long term care system by developing increased availability of home and community based services. Potential uses of these funds are to reduce waiver waiting lists, increase direct care worker wages, develop grants to assist new service providers, improve long term care assessment processes, develop consolidated entry points to access services and for counseling for clients. This request is for $10,985,363 total funds for the biennium, which includes $2 million in general fund in each year. (See LFD book, page B-274) See Handout

Proposed Language

DP 22201 "Funding in Montana Veterans Home Contingency funds may be used only if federal and private revenue available from federal special revenue and private payment state special revenue appropriations in fiscal year 2010 or fiscal year 2011 are insufficient to operate the homes at capacity to maximize collection of federal and private payments. The office of budget and program planning shall notify the legislative finance committee when the appropriation will be used." (See LFD book, page B-263)

DP 22213: Annualize IGT Offset Funding "Funds in IGT Offset may be used as Medicaid matching funds for nursing home services and home-based services for aged and physically disabled persons only if the county nursing home intergovernmental transfer program is not sufficient to reimburse county nursing homes a net payment of at least $5 a day for Medicaid services and other nursing homes a net payment of at least $2 a day for Medicaid services. IGT Offset must be used only to fund a shortfall in the amount of county funds transferred as part of the county nursing home intergovernmental transfer program that is appropriated as state match of Medicaid nursing home and home-based services" (See LFD book, page B-263)

List of Significant Department Initiatives

Significant initiatives that will be tracked and reported on from a Department wide point of view for the Division **Home and Community Based Services Expansion**

Legislation Division is Tracking:

The division has no specific legislation. Other significant legislation the Division is watching:

Bill	Sponsor	Purpose
HB 213 LC 1283	Rep. Jon Sesso Rep. Steve Gallus	Establish a South Western Montana Veterans Home Locate a veterans nursing home in SW Montana
HB 202	Rep. Mike Miller	Tax credit for a portion of cost of premium payments for long term care insurance. Maximum credit $150 for each taxpayer.
LC 0114 LC0305	Rep.Shannon Augare George Groesbeck	Require criminal background checks for home healthcare workers
LC 1869	Rep. Bill Beck	Deposit a portion of oil and gas taxes in older Montanan's trust fund
LC 1503	Rep. Mike Jopek	Revise area aging laws
LC 1042	Sen. Dave Lewis	Study use of medication aides in nursing homes
LC 0615	Sen. Carol Juneau	Support funding for adult protective services workers for each reservation

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Nursing Facility Services Program

Contact Information

This is a list of primary contact information for the division.

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid-Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	Rick Norine	444-4209	rnorine@mt.gov

Overview

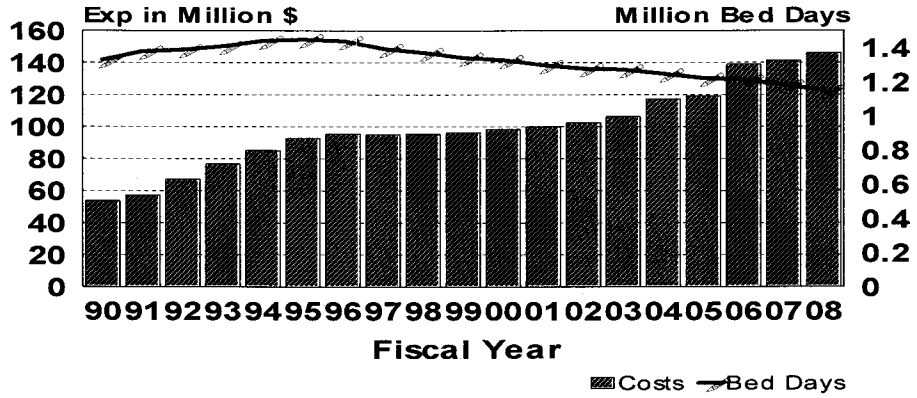
There are eighty-five (85) licensed nursing facilities in the state that participate in the Medicaid program (excluding state run facilities) with a total of about six thousand seven sixty-three (6763) beds. At any one time about seventy-three (73) % of nursing facility beds in the state are occupied. Nursing facilities are located in forty-six (46) of Montana's fifty-six counties, and range in size from twenty-two (22) to two hundred seventy-eight (278) beds

Budget Overview

Funding

Nursing Homes are the largest portion of the long-term care budget, with total FY 2008 expenditures of almost $151.82 million dollars when Intergovernmental Fund Transfer (IGT) is included. This program is funded at approximately sixty-eight percent (68%) federal funds and thirty-two percent (32%) state general fund. Medicaid pays for about sixty percent (60%) of all nursing facility services, private payers thirty percent (30%) and Medicare/Other the remaining ten percent (10%). In FY 2008 about 1.15 million Medicaid funded days of nursing home care were delivered to 4875 people, at a general fund cost of approximately $ 26.83 million dollars.

Nursing Home Expenditures and Bed Days
FY 1990 - 2008



Costs shown are in millions of dollars and do NOT include IGT payments.
Source: Paid Claims Data. FY 08 as of 11/08. 08 NHcost_svs

Major Accomplishments

The Division implemented or expanded several programs with funding provided by the 2007 Legislature over the 2009 biennium

Nursing Home Transition Project: Since the initial development of Montana's Home and Community-Based (HCBS) Waiver in 1982, residents of Montana nursing facilities have routinely returned to their own homes or moved into small residential settings such as Assisted Living Facilities. In addition to these ongoing placements, beginning in FY 2000 the Senior and Long Term Care Division (SLTCD) implemented a more proactive strategy to identify nursing facility residents who want to move into community services, and for whom appropriate, cost effective, community services could be developed. These nursing facility transition projects have been implemented in the spirit of providing services in the least restrictive environment and in cooperation with nursing facilities and the HCBS Waiver case management teams. Since FY 2004, over 150 people have transitioned from nursing homes into community services; with dollars for services following them from the nursing facility into the community in money follows the person approach to rebalancing the long term care system

In fiscal year 2008 a total of 44 individuals transitioned into community placements. Of the individuals transferred in 2008, 14 were under age 65. Currently there is another transition project under way which is expected to transition approximately 48 individuals in 2009 with 15 who are under the age of 65.

The SLTCD will continue to utilize resources from the nursing facility program budget to fund these community placements under the HCBS waiver. This does create some complications in trying to project caseload adjustments in the nursing facility budget. As caseloads decrease in the nursing facility program the funding for these transition slots must still be available to fund the ongoing cost of these community services until those costs can be built into the base year budget in the waiver program. This adjusts

the caseload for nursing homes as individual's transition to the community but does not free up the funding.

Direct Care Wage Increases: The 2007 Montana legislature authorized the Department of Public Health and Human Services funding for a Direct Care Worker Wage Increase. Funds in the Direct Care Worker Wage Increase were used to raise direct care worker wages and related benefits through an increase in provider rates. Funds in Direct Care Worker Wage Increase were not be used to offset any other wage increase mandated by any other laws, contracts, or written agreements, which will go into effect at the same time as or after implementation of the appropriation included in Direct Care Worker Wage Increase.

The 2007 Legislature appropriated $5,107,141 for Direct Care Wage Increases in Nursing Facilities and DPHHS distributed add-on funding to Nursing Facility Reimbursement Rates of $5,136,825, and Nursing Facilities expended $7,962,932 towards wage increases including the funding provided by the State

a. Funds in Direct Care Worker Wage Increase were first used to raise the certified nursing aide and personal care attendant direct care worker wages to $8.50 per hour and to raise related benefits. This Direct Care Wage increase for CNA's increased the wages of 170 FTE in Montana Nursing Facilities from an average of $7.96 to $8.50.

b. Any remaining funds were used to raise wages, and related benefits, for direct care workers and other low paid staff by 70 cents. The remaining funds increased the wages of 2247 CNA FTE in Montana Nursing Facilities from $13.26 to $14.09. In addition, the funding also provided increases to other Direct Care Workers in the Montana Nursing Facilities.

SB206 Report– Health Care Insurance for Health Care Workers: Senate Bill 206 was introduced in the 2007 Legislative Session, Sponsors Senator Cobb and Senator Weinberg, that required DPHHS (DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES) to:

(1) conduct a study to determine the feasibility, impact, and cost of providing employer-sponsored health insurance to personal-care attendants and direct-care employees of organizations that receive the majority of their revenue as a result of providing Medicaid-funded Long-Term Care Services by increasing certain Medicaid payments to their employees and requiring the increased payments be used to fund the Health Insurance
(2) authorizing the Department to establish a pilot program
(3) requiring a report to the legislature
(4) providing rulemaking authority
(5) and providing an immediate effective date and termination date.

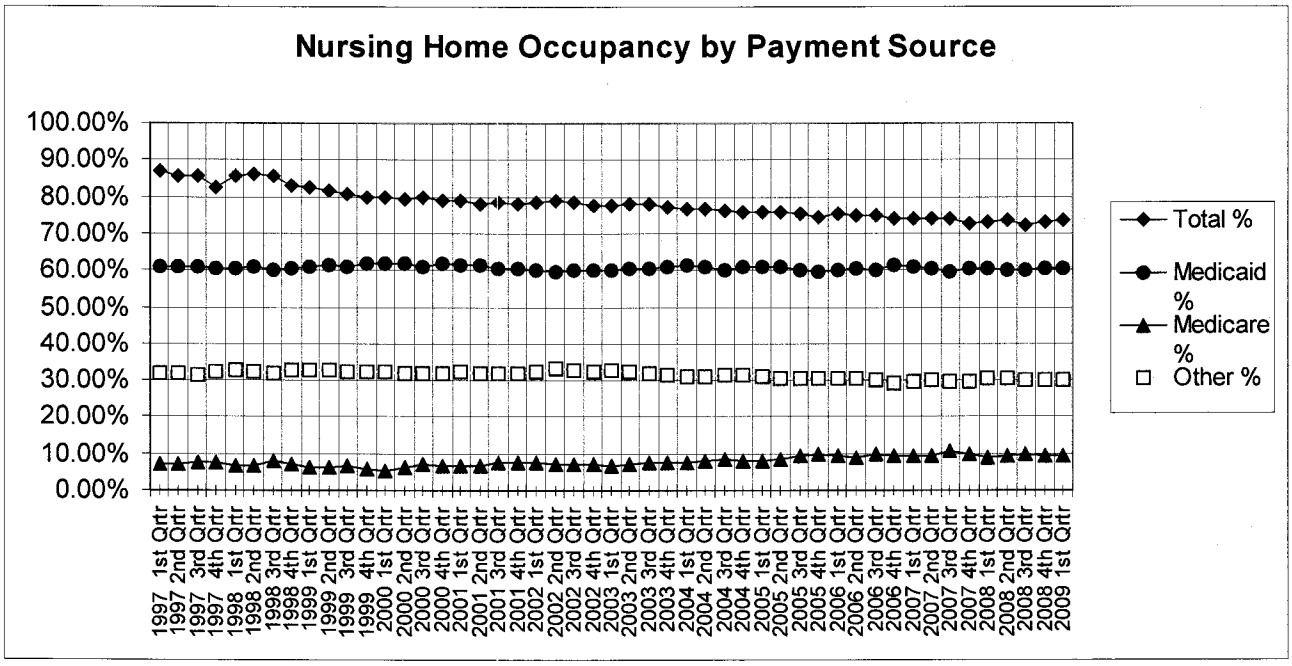
In May 2008, SLTCD sent out provider surveys to both Nursing Facilities and Swing Bed Providers; and approximately 2075 worker surveys to be distributed to Direct Care Workers at those Montana facilities. A total of 58 out of the 85 nursing

facility providers or (68%) responded to the survey. Providers provided information on 4,287 direct care workers, which represented 73.5% of their total workforce of 5,832 employees.

Significant Issues

Decreasing Occupancy/ Caseload Projections: Occupancy levels in Montana's nursing homes have fallen by over 9 percent in last ten years. Will that trend continue? If it does, at what point will nursing homes begin to close and what will that mean for Montanans who want and need accessible and affordable nursing home services? The occupancy levels seem to have stabilized or flattened out in recent years and are not continuing to decline at rates that we saw historically.

The SLTCD will continue to utilize resources from the nursing facility program budget to fund community placements under the HCBS waiver. This does create some complications in trying to project caseload adjustments in the nursing facility budget. As caseloads decrease in the nursing facility program the funding necessary to sustain the transition slots must still be available to fund the ongoing cost of these community services until those costs can be built into the base year budget in the waiver program



Conversion to CAH/Swing Bed

Several nursing facilities are closing their doors as nursing homes and converting to critical access hospitals (CAH's) and using their hospital beds as swing beds to meet long term care needs in their communities. This means that these facilities no longer participate in the nursing facility provider tax payment program, nor do they continue in

the Intergovernmental Transfer program. During 2008/2009 a total of 6 facilities have converted to CAH's representing 196 licensed beds.

Intergovernmental Fund Transfer Program at Risk: Montana has had an IGT program, which provides additional financial support to at-risk facilities by utilizing local county revenues as match in the Medicaid program since 2001. These payments are in the form of one-time lump sum payments to non-state governmental owned or operated facilities for Medicaid services and are for the purpose of maintaining access to "at risk" county affiliated facilities who are predominantly rural and are the only nursing facility in their community or county or who provide a significant share of nursing facility services in their county. In addition to the payments to "at risk" county affiliated facilities Montana has a provision to provide smaller lump sum payments to other "at risk" nursing facilities that are not affiliated with counties.

During the 2003 Legislative session IGT funding was used to replace general fund dollars in the base budget of the nursing facility programs of approximately $640,000 in each year of the biennium and an additional $1,000,000 in each year of the biennium in the home based (personal assistance) budget.

Since FY2005, several counties decided not to participate in the "at risk" program, or not to participate at the same level they have historically, due to promulgated federal regulations that defined what were allowable arrangements between counties and their affiliated facilities. We do not know how many more counties will not participate in the future. To the extent these counties do not participate, the ability to have the funds necessary to fund the base budget in the home based and nursing facility programs at the same level would come into question. Not only is the "at risk" payment program at risk but also so is the funding of the base budget in these programs. Clearly this brings into question the sustainability of revenue from IGT's as an ongoing source of revenue to fund the base budget in the Senior and Long Term Care Division in addition to providing for the continuation of the "at risk" payment program to nursing facilities into the future.

- IGT Contingency Funding : The 2007 Legislature provided contingency funding in the instances that federal rules or regulations prohibit or restrict the use of county funds for the nonfederal Medicaid match for nursing home and home-based services or if the amount of county funding contributed to the intergovernmental transfer program is too low for the program to be viable then funds in IGT Offset may be used for the nonfederal match for Medicaid services for nursing home and home-based services.

  In FY2008, the county nursing home intergovernmental transfer program was not viable as the amount of funds transferred from counties was insufficient to meet the $1.6 million threshold and also provide sufficient nonfederal Medicaid matching funds to fund a net payment of at least $5 a day in reimbursement to county nursing homes and $2 a day in reimbursement to other nursing homes.

In FY 2008 a contingency of $1,189,272 was provided and $640,717 was applied to make the program solvent for the fiscal year.

- Cost Limit on Public Providers: CMS issued a final rule on cost limits for public providers in May 2007. Congress passed legislation adopting a one-year moratorium on CMS changes which expired on May 25, 2008. After the moratorium expired, another one-year freeze was placed on the implementation of six regulations that would have make steep cuts to the Medicaid program, including cost limits on facilities defined as units of government. This bill placed those regulations on hold until April 1, 2009, when a new Administration will have had time to reconsider them.

  The new facility specific cost limit for governmentally operated providers applies not only to Intergovernmental Fund transfer payments but also limits Medicaid prospective reimbursement to these facilities at levels not to exceed cost and would be applied to any other types of add-on rates that would be available to all Medicaid participating providers irrespective of the IGT payment program. 15 Nursing Facilities in Montana would be defined as Units of Government under these regulations and be subject to cost limits as public providers.

Nursing Facility Provider Tax: Nursing facilities in Montana received a provider rate increase during the last biennium when other providers did not. These facilities were able to generate the revenue for this rate increase by proposing an increase in the nursing facility provider tax that is assessed on occupied nursing facility beds. This tax had been in place since 1992 and was previously $2.80 per occupied bed day on all payor categories. HB 705 passed in the 2003 Legislative Session increased this assessment by $1.70 in FY 2004, up to $4.50 and an additional increase of $.80 cents in 2005 for a total tax assessment of $5.30. The 2005 Legislative session increased the assessment $1.75 to $7.05 in FY 2006, and an additional increase of $1.25 to $8.30 in FY 2007. The original $2.80 is deposited into the general fund while the increased amounts are deposited into a state special revenue account for the benefit of nursing facilities.

Historically, states were not allowed to tax nursing homes more than 6% of total revenues under the Medicaid program. The Deficit Reduction Act of 2005 proposes to phase down the percentage limit over the next four years from 6% to 3%. Congress adopted legislation that included a provision to lower the allowable tax rate from 6% to 5.5%. This rate is effective as of January 1, 2008 through October 1, 2011.

2010/2011 Decision Packages

Present Law Adjustments

PL22205- Nursing Home IGT Adjustment- This request reflects a decrease in the FY 2010 and a slight increase in FY 2011 in the funding needed for maintaining the nursing home intergovernmental fund transfer payment program. Total request represents a net decrease of $164,558 for the biennium with no funding coming from the general fund. (See LFD book, page B-269)

PL 22206 Annualize Nursing Home Provider Increase-This request is for $7.1 million over the biennium including $2.2 million in general funds and $50,502 in State Special Revenue funds to annualize the 2.5% provider rate increase that was appropriated for fiscal year 2009 for nursing facility providers and adjusts the funding levels between 2008 and 2009. (See LFD book, page B-269)

PL 22213 Annualize IGT Offset Funding- The 2007 Legislature added $2.8 million of general fund over the biennium to offset county nursing home intergovernmental transfer (IGT) state special revenue used as state Medicaid match for nursing home services and home based services, contingent on federal rule changes that would prohibit or restrict the use of IGT funds as state match or if the IGT program does not remain viable. Approximately $720,000 of this contingency was use in FY 2008 to maintain the IGT program. This request is to continue this contingency funding by requesting $1.7 million in general funds for the 2011 biennium for both nursing facilities and home based services. (See LFD book, page B-270)

PL 22215 Nursing Home Caseload Adjustment- This proposal reflects that anticipated decrease of .75% per year in Medicaid nursing home caseload for the 2011 biennium. This request also addresses the impact of an adjustment necessary to the nursing home base budget for an accrual error that occurred at fiscal year end. This request is for $6.2 million additional funds over the biennium including $1.9 million in general funds and $4.2 million in federal funds. The accrual error represents approximately $5.4 million total funds in each year of the biennium. (See LFD book, page B-271)

PL 22216 Medicaid Nursing Home FMAP Adjustment-This request provides an increase in general fund of $2.3 million over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in the Federal Medical Assistance Percentage rates for FY 2010 and FY 2011. FMAP rates for 2010 are .3251 and for 2011 .3297. (See LFD book, page B-272)

New Proposals No New Proposals

MONTANA

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Home and Community Based Services

Contact Information
This is a list of primary contact information for the division.

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid-Health Services	Mary Dalton	444-4088	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov

Overview
This is a brief description of the division and its purpose/mission, including major bureaus, programs, and/or organizational chart.

Some individuals in need of long-term care services choose to remain in their own homes or select other community options to meet their needs. The Home and Community Based Services (HCBS) program, often referred to as the Medicaid Waiver, offers Medicaid recipients a number of choices. To be eligible for the HCBS program an individual must be elderly or disabled, Medicaid eligible, and require nursing facility or hospital level of care. A small percentage of individuals served at home are ventilator dependent; without the HCBS program, they would be in a hospital setting, most likely out of state. In addition, the program serves a small number of individuals with a traumatic brain injury who would have been served in out-of-state rehab facilities, inpatient rehabilitation, or remain inappropriately placed in nursing homes, group homes, or other institutions were it not for the specialized services available under the HCBS program.

Home and Community Based Services are individually prescribed and arranged according to the needs of the recipient. An individual service plan is developed by a case management team in conjunction with the recipient. The service plan must meet the needs of the recipient and be cost effective. It is reviewed at least every 6 months and revised when the recipient's condition changes. Services available to recipients include case management, homemaker, personal care, adult day care, respite, habilitation, medical alert monitor, meals, transportation, environmental modification,

respiratory therapy, nursing services, adult residential care provided in a personal care or assisted living facility, or adult foster home, as well as a number of specialized services for recipients with a traumatic brain injury. The Department contracts with 20 agencies to provide case management services. Case management teams are headquartered in Missoula (3), Billings, Great Falls (3), Helena (2), Bozeman, Sidney, Miles City, Kalispell (2), Butte (2), Lewistown, Roundup, Polson and Havre.

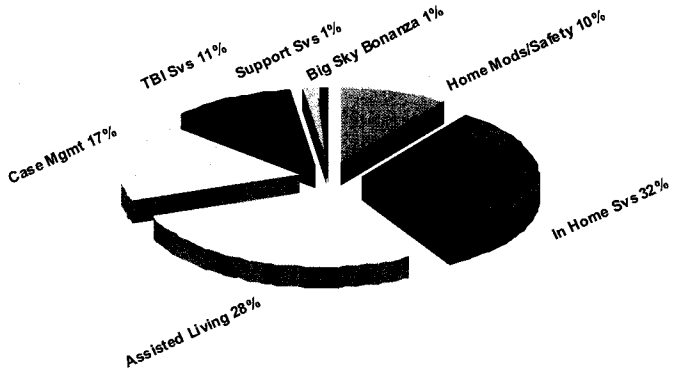
Home and Community Based Services are also available under the Big Sky Bonanza (BSB) waiver. This waiver was developed through a grant from the Centers for Medicare & Medicaid Services (CMS) and was implemented in 2006. The BSB waiver allows more flexibility for the consumer to manage their own budget and services and allows family members to receive reimbursement for providing certain services to minor children and spouses. The BSB waiver is currently available in thirty-three counties and serves 16 individuals. This waiver will ultimately be phased into the remainder of the state.

Budget Overview

Funding

Home and Community Based Services are funded at approximately 68% federal funds and 32% state general funds. During FY2008, more than 2200 people received HCBS services at a total cost of a little over $29 million dollars. Since 1986, the number of recipients of the Home and Community Based Services program has steadily risen as the number of individuals requiring long term care services, and choosing to receive these services in their own homes or other residential settings is increasing. Unlike most Medicaid programs, HCBS services are not entitlement programs. Access is limited by the amount of funding available and appropriated by the legislature. When the funds are committed, eligible people wait until more money is appropriated or until an opening occurs through attrition. Currently 471 individuals are waiting for services.

Home and Community Based Waiver
Expenditures by Percentage



Grants: Federal agencies provide funding to assist states in implementing systemic changes to better serve individuals with disabilities and elderly in the setting of their choosing. Montana currently has a Traumatic Brain Injury grant.

Traumatic Brain Injury (TBI) Grant: According to the Center for Disease Control, (CDC) Montana has the second highest per capita rate of traumatic brain injuries in the United States. The Brain Injury Association of Montana estimates that more than 10,000 Montanans live with a long-term disability as a result of TBI. This represents 1.2% of the state's population. Montana is one of six states that has a mortality rate of TBI at or above the national 90th percentile. In examining sub-populations in the state, it was determined that American Indians had the highest incidence rate of all ethnic/cultural groups. This is supported by national research from CDC. It has been estimated that American Indians suffer brain injuries at approximately twice the rate of the general population. In order to address the issues facing Montana the department applied for a series of grants which were awarded by the Health Resources and Services Administration. The goals of the grant are to provide outreach to underserved populations; with an emphasis on American Indians; and increase coordination of services for individuals with brain injuries and families. The current grant award totals $118,000 per year over three years. This was augmented by $100,000 of One Time Only funding that was provided by the 2007 legislature for Resource Facilitation Services for TBI individuals.

Accomplishments

Waiting List: As of September 2008, there are 471 people waiting for the HCBS Waiver program. The waiting list is expected to grow due to the aging population, the increase in demand for assisted living facilities and the desire of more individuals who are older or who have disabilities to receive care at home rather than in a nursing facility or hospital. During the 2008/2009 biennium the Division filled 102 waiver slots appropriated by the 2007 Legislature. Average length of stay on the waiver waiting list was reduced from 277 days in 2007 to 179 days in 2008.

Nursing Home Transition Project: Since the initial development of Montana's Home and Community-Based (HCBS) Waiver in 1982, residents of Montana nursing facilities have routinely returned to their own homes or moved into small residential settings such as Assisted Living Facilities. In addition to these ongoing placements, beginning in FY 2000 the Senior and Long Term Care Division (SLTCD) implemented a more proactive strategy to identify nursing facility residents who want to move into community services, and for whom appropriate, cost effective, community services could be developed. These nursing facility transition projects have been implemented in the spirit of providing services in the least restrictive environment and in cooperation with nursing facilities and the HCBS Waiver case management teams. Since FY 2004, over 150 people have transitioned from nursing homes into community services; with dollars for services following them from the nursing facility into the community in money follows the person approach to rebalancing the long term care system. In fiscal year 2008 a total of 44

individuals transitioned into community placements. Of the individuals transferred in 2008, 14 were under age 65. Currently there is another transition project underway which is expected to transition approximately 48 individuals in 2009 with about 15 who are under the age of 65.

The SLTCD will continue to utilize resources from the nursing facility program budget to fund these community placements under the HCBS waiver. This does create some complications in trying to project caseload adjustments in the nursing facility budget. As caseloads decrease in the nursing facility program the funding for the transition slots must still be available to fund the ongoing cost of these community services until those costs can be built into the base year budget in the waiver program.

PACE Program – October 1, 2008, a new program was implemented to serve elderly Montanans in a community setting. The Program of All-Inclusive Care for the Elderly (PACE) is designed to enable the frail elderly to remain in familiar surroundings and preserve maximum physical, social and cognitive function. It is a managed care model, i.e., a capitated benefit that offers a comprehensive service delivery system and integrated Medicare and Medicaid financing. The program covers both long term and acute care needs of its recipients. Currently the program is exclusively for individuals 55 or older who live in Yellowstone County or the City of Livingston and meet nursing facility level of care. The monthly per member per month capitated rate is $2,545 for dual eligibles, and the Medicaid only rate is $3,653.35. The maximum number of individuals that can be served under this model is 130. (100 in Yellowstone county and 30 in Livingston) There is no separately designated funding to pay for this program in the Division budget.

ISSUES:

Community Services: As anticipated with the aging of Montanans, the necessity for long term care services is increasing. The Olmstead initiative is an effort to remove barriers to community living for people of all ages with disabilities and long-term illnesses. It represents an important step in working to ensure that all Montanans have the opportunity to learn and develop skills, engage in productive work, choose where to live and participate in community life. From the federal level, this initiative encourages states to increase funding for community based programs. We have a decision package 22223 Additional Funding for HCBS services, which is an opportunity to continue this effort through several types of rebalancing efforts.

Demand for Assisted Living: The growth of assisted living facilities (ALF's) has stabilized somewhat. Medicaid expenditures for assisting living services however continue to increase. Expenditures went from $6.6 million in 2006 to $8 million in 2008. The number of Medicaid recipients waiting for this service is also continually growing. Medicaid reimbursement for ALF's is still only available through the Medicaid Waiver. The dilemma is how to meet the legitimate demand for this service without creating a publicly funded entitlement, reducing the incentive for people to plan to meet their own long term care needs. As Baby Boomers enter the long term care marketplace, a publicly funded program of this nature would be an undue hardship for the state.

Decision Packages
Present Law Adjustments

PL 22208 Annualize Community Based Waiver Increase-Request for $1,500,000 in total funds including $508,613 in general funds to annualize the 2.5% provider rate increase that was appropriated for community services program, which includes the Medicaid funded elderly and physically disabled waiver program. This request annualizes the increase that occurs in fiscal year 2009 and adjusts the funds between the 2008 and the 2009 fiscal years between the Medicaid initiatives account and the general fund. (See LFD book, page B-270)

PL 22212 Annualize Waiver and Fund Switch- This request is to annualize the cost of the waiver expansion slots appropriated by the 2007 Legislature. The Legislature provided funding for expansion for approximately 102 new service slots in the home and community based waiver. Due to the timing of these funds all of the 102 slots could not be allocated and filled on July 1, so are not fully reflected in the 2008 base expenditures. This request is for $821,456 in state special revenue funds and $746,172 in federal funds and a reduction of $467,404 in general funds for the biennium. The general fund reduction recognizes the change in funding from general fund to Medicaid initiative account as appropriated in FY 2009. (See LFD book, page B-270)

PL 22217 Medicaid Waiver FMAP Adjustment- This request provides an increase in general fund of $481,033 over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in the Federal Medical Assistance Percentage rates for FY 2010 and FY 2011. FMAP rates for 2010 are .3251 and for 2011 .3297. (See LFD book, page B-272)

Waiver Slots vs. Recipients

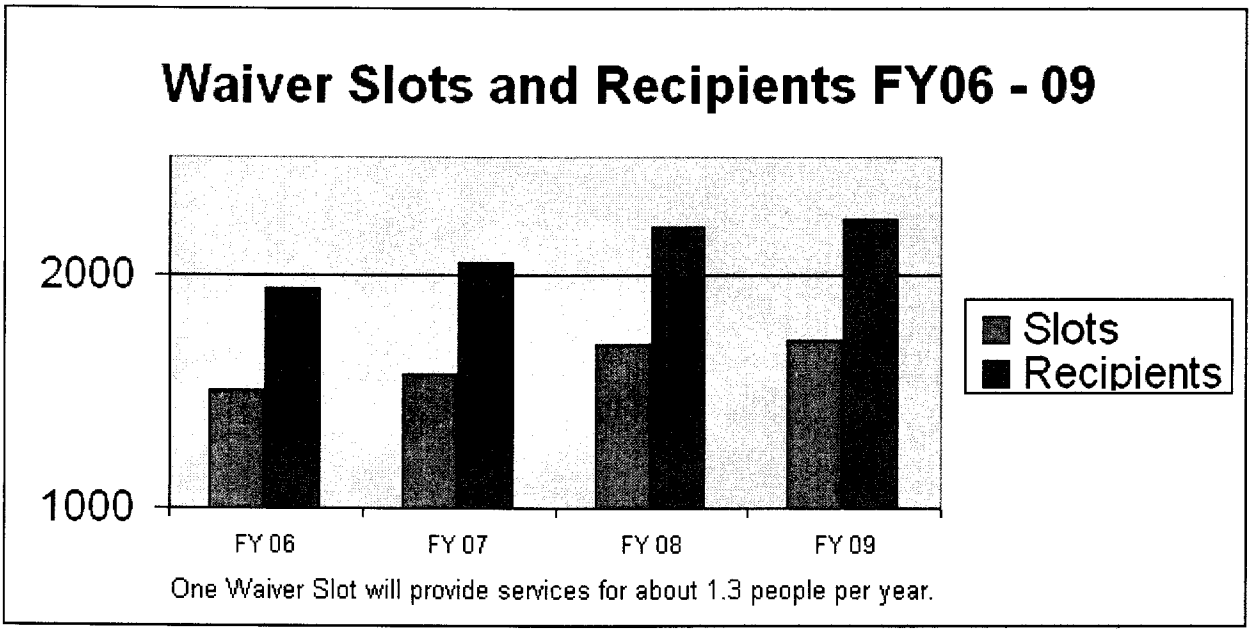
FY 06 - FY 09

Fiscal Year	Slots	Recipients
FY 06	1503	1938
FY 07	1573	2046
FY 08	1696	2202
FY 09	1720	2236

Note 1: The number of recipients is approximately 30% higher than the number of slots.
Note 2: Recipients as of November paid claims. FY 09 is estimated.

Slots				
	Previous FY	Expansion	*NF Transition	Total Slots
FY 06	1443	45	15	1503
FY 07	1503	56	14	1573
FY 08	1573	79	44	1696
FY 09	1696	23	1	1720
FY10	1720	0	0	1720
FY 11	1720	0	0	1720

*There is a NF Transition project underway in FY 09. Number transitioning is estimated at 48.



Type of Slot	FY 2007 No of Consumers	FY 2008 No of Consumers
Disabled	854	929
Aged	1213	1292
All Consumers	**2046**	**2202**

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Medicaid Personal Assistance Program

Contact Information

This is a list of primary contact information for the division.

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid-Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov

Overview

DESCRIPTION:

Medicaid Personal Assistance Services consists of medically necessary in-home services provided to Medicaid recipients whose health problems cause them to be functionally limited in performing activities of daily living. These services include activities related to a recipient's physical health and personal hygiene, such as bathing, transferring, feeding, grooming, toileting, medications reminders, limited homemaking tasks, assistance shopping for essential items, and escort to Medicaid reimbursable health care services.

The goal of the Personal Assistance Services program is to prevent or delay institutionalization by providing medically necessary maintenance or supportive care in the home. Montana has provided Medicaid Personal Assistance Services since the late 1970's. As an entitlement plan program, there are no restrictions based on age or disability, rather services are authorized based on functional limitations resulting from a discernable diagnosis.

Montana offers two options for personal care services. The first option is referred to as the "agency-based" program, as enrolled provider agencies manage the services on behalf of the consumer. The provider agency must employ a licensed nurse to oversee the training and supervision of all direct care attendants and monitor the consumer's plan of care. The upper limit is 40 hours of assistance per week. Agency-based providers are reimbursed a rate negotiated with the Division. The rate range is $4.44 to $4.95 per 15 minute unit.

The second personal assistance service option is referred to as the self-direct program. As a result of grass roots legislative efforts, Montana launched the Self-Direct Personal Assistance Program in October 1995. The program is designed to allow consumers to hire, train, manage, schedule and discharge their attendants. Consumers must demonstrate capacity to manage their care or have a personal representative manage their care. Consumers in either the agency-based or self-direct program are eligible to receive the same services; however consumers in the self-direct option may direct certain health maintenance activities, as well. There is an exemption to Montana's Nurse Practice Act that allows the consumer to manage their bowel care, catheter care, and medication administration and wound care, with physician approval. The upper limit for self-direct services is 40 hours of services per week. Self-direct providers are reimbursed a rate negotiated with the Division. The rate range is $3.69 to $4.17 per 15 minute unit.

With either option the personal assistance provider agency must review all direct care attendant time sheets prior to billing Medicaid and make home visits to determine the consumer's continuing need for Medicaid Personal Assistance Services and assess the quality of services provided. The direct care attendant is paid only for the hours and tasks authorized by a contracted 3rd party authorizing agent.

Budget Overview

Funding

Personal assistance services are an entitlement under the state's Medicaid program. In FY2008, 3,242 people received personal assistance at a total cost of $29.8 million. Services are currently funded at approximately 68% federal funds and 32% state general funds. During fiscal year 2008 the Addictive and Mental Disorders Division transitioned the portion of personal assistance that was paid out of their Division to the Senior and Long Term Care Division in order to consolidate personal assistance services in one Division. The impact is approximately $1.5 million dollars of services that were moved.

Major Accomplishments

The Division implemented or expanded several programs with funding provided by the 2007 Legislature over the 2009 biennium

100% Federal Match for Tribal Personal Assistance Services- In FY 08 the Department began claiming 100% federal match rate for tribal entities providing Medicaid personal assistance services. The cost savings to the Department in state fund dollars was approximately $386,773. Currently, the Blackfeet, Rocky Boy and Fort Belknap reservations provide personal assistance services, which are reimbursed at 100% federal match.

Health Care for Health Care Workers: The 2007 Legislature provided approximately $2.6 million dollars of Medicaid funding to provide rate increases when health insurance is provided for direct care workers in the personal assistance and private duty nursing programs. Funds available for Health Care for Health Care Workers

must be used to cover premiums for health insurance that meets defined benchmark criteria. Funding was appropriated for six months beginning January 1, 2009.

Effective January 1, 2009 seventeen **(17)** Medicaid personal assistance and private duty nursing providers are offering comprehensive health insurance coverage to their workers, including dental coverage with the health care for health care worker funding. Thus far, seven hundred forty-seven **(747)** workers across the state have enrolled in their agency's health insurance plan. A few agencies were unable to begin coverage on January 1, but intend to participate in future months. All agencies except one will also provide dental coverage

Participating agencies were required to offer a health insurance plan that met specific benchmark standards established by the Department and to stay within a $450 monthly premium level limit. A few agencies were unable to receive health insurance quotes at that cost, thus the Department agreed to waive the $450 monthly level in certain circumstances so long as the agency was able to stay within their overall funding allocation and justify a need for an increase beyond the $450 premium level. All of the participating agencies were able to offer health insurance plans that met a majority if not all of the Department's benchmark standards.

The monthly premium for which an employee is responsible ranges from $0-$25 per month. A majority of the agency's workers pay a $25/month insurance premium. A majority of the participating agencies established eligibility criteria for health insurance coverage at 20 hours per week. The range of hours a worker must work to be eligible for health insurance coverage is 20-30 hours per week, depending upon the agency.

Direct Care Wage Increases: Direct Care Worker Staffing and Retention – The personal assistance program requires a steady supply of workers who are willing and able to perform difficult, often intimate, personal care tasks for vulnerable people. The Department was able to offer a provider rate increase based on the 2005 and 2007 legislative appropriation. In addition, in October 2007 the Department funded an additional 10% provider rate increase for agency-based providers. During the 2003 and 2005 legislature, state special revenue was provided for a small direct care worker wage initiative. The 2007 legislature appropriated funding to raise the minimum wage for direct care workers to $8.50 per hour and provide additional wage increases. The Division distributed the funds through a provider rate increase of 0.28 cents per unit, which raised worker wages to $8.50 and provided an additional $1.12/hour for worker wage and benefits.

SB206 Report– Health Care Insurance for Health Care Workers: Senate Bill 206 was introduced in the 2007 Legislative Session that required DPHHS (DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES) to:

(1) conduct a study to determine the feasibility, impact, and cost of providing employer-sponsored health insurance to personal-care attendants and direct-care employees of organizations that receive the majority of their revenue as a result of providing Medicaid-funded Long-Term Care Services by increasing certain Medicaid payments to their employees and requiring the increased payments be used to fund the Health Insurance

(2) authorizing the Department to establish a pilot program

(3) requiring a report to the legislature
(4) providing rulemaking authority
(5) and providing an immediate effective date and termination date.

Senate Bill 206 directed the Department to conduct a study of Medicaid funded direct care service providers and their direct care employees in order to assess the feasibility of providing funding for employee health insurance. Since personal assistance providers were included in the Health Care for Health Care Worker funding allocation their workers were not considered for this study. Community based services workers who were surveyed included hospice, home health, homemaker, respite, and habilitation aide.

Significant Issues

Program Growth - Because personal assistance is such a critical component of the array of services that enable people to live at home, the demand for personal assistance services has increased rapidly over the past decade, at times threatening to exceed the appropriation from the legislature. In FY2001, the Division instituted the 3rd party prior authorization system through which a contractor, Mountain Pacific Quality Health, verifies each consumer's eligibility for personal assistance and establishes the number of hours of service each consumer is authorized to receive on a weekly basis. The criteria are established by the Division. The contract has significantly reduced the program's rate of growth, ensuring that no additional reductions in the program are necessary at this time. Given the value of personal assistance services, long-term demand is likely to continue to increase as the population of Montana continues to age. The presence of the prior authorization contract ensures that any such growth will be consistent with the rules of the program. Provider rate increases and direct care wage initiatives in the last three sessions have also attributed to the increase in program expenditures. During the budget crisis of FY 2003 the program reduced services to consumers. In June 2008 for the first time in the program's history the number of consumers in the self-direct option exceeded the number of consumers in the agency-based option. Utilization rates are higher in the self-direct option. Based on the continued need for this service and increased utilization of the self-direct option, expenditures are expected to increase in the coming biennium.

2010/2011 Decision Packages

Present Law Adjustments

PL 22202 Healthcare for Healthcare Workers-This request annualizes the funding provided last biennium for six months beginning January 1, 2009, for a provider rate increase to be focused at paying for health insurance premiums for workers in personal assistance and private duty nursing programs when the agency provides the employees with health insurance coverage that meets a set of defined benchmarks. Funding request is $10,260,000 for the biennium with $917,763 from the general fund and $2,441,361 from state special revenue and $6.9 million federal funds. (See LFD book, page B-266-B269)

PL 22207 Annualize Home Based Provider Increase- This request is for $1.5 million in total funding including $508,613 in general funds to annualize the provider rate increase that was appropriated for fiscal year 2009 for the home based program which includes the Medicaid funded home health, personal assistance and hospice program. This request annualizes the increase that occurs in fiscal year 2009 and adjusts the funds between the 2008 and the 2009 fiscal years between the Medicaid initiatives account and the general fund. (See LFD book, page B-270)

PL22214 Home Based Caseload-This proposal reflects the anticipated caseload adjustment for Medicaid home based services that include personal care, home health and hospice, Caseload is expected to grow at approximately 5.4% per year with an estimated cost of $10 million in total funds over the biennium including $3.3 million in general funds. (See LFD book, page B-271)

PL 22218 Home Based Medicaid FMAP Adjustment- This request provides an increase in general fund of $479,418 over the biennium, with an offsetting decrease in federal Medicaid funds, due to a projected change in the Federal Medical Assistance Percentage rates for FY 2010 and FY 2011. FMAP rates for 2010 are .3251 and for 2011 .3297. (See LFD book, page B-272)

New Proposals

NP 22223 Additional Funding for SLTCD HCBS- This proposal is focused at efforts to rebalance the long term care system by developing increased availability of home and community based services. Potential uses of these funds are to reduce waiver waiting lists, increase direct care worker wages, develop grants to assist new service providers, improve long term care assessment processes, develop consolidated entry points to access services and for counseling for clients. This request is for $10,985,363 total funds for the biennium, which includes $2 million in general fund in each year. (See LFD book, page B-274)

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Medicaid Home Health, Hospice and Home Dialysis

Contact Information

This is a list of primary contact information for the division.

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid-Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	James Driggers	444-4544	jdriggers@mt.gov

Overview

DESCRIPTION:

Hospice is a program that provides health and support services to the terminally ill and their families. This approach to treatment recognizes the patient's impending death and as a result, palliative/comfort care, rather than curative care, is delivered. Services are provided in the recipients' home or for a resident in a nursing home to augment services being provided by family or other caregivers. When a person selects hospice, they waive all Medicaid benefits related to curative care. The hospice service package includes the following when delivered in direct relationship to the terminal condition: nursing, medical social services, physician services, bereavement counseling, dietary consult, inpatient care for acute pain, family respite, nursing facility room and board, durable medical equipment, pharmaceuticals and therapy services. Each recipient receives a mix of these services based upon their specific plan of care. These services must be provided by a certified hospice agency.

Home Health services are medically necessary nursing and therapy services provided in the residence of Medicaid recipients. Services are designed to be delivered on a part time or intermittent basis to prevent or delay institutionalization. These services include skilled nursing, home health aides, physical therapy, occupational therapy, and speech therapy. The program also covers medical supplies and minor equipment used in the home in conjunction with the delivery of services. These services must be ordered by a physician and provided by a licensed and certified home health agency. The nurse or therapist must follow a physician's plan of care and document the progress toward individual goals. Services remain in the home until the episode is

resolved or until no progress is being made in therapies. Home health is not designed to provide continual long-term support to individuals.

Home Dialysis services are in-home services provided to persons with a diagnosis of "End Stage Renal Disease". Services are provided by a specially trained attendant. The attendant assists the recipient with the dialysis procedure and cares for the dialysis equipment. Home dialysis is provided under the direction of a physician.

Budget Overview

Funding

Hospice, Home Health and Home Dialysis services are entitlements under the Medicaid program and are funded at approximately 68% federal funds and 32% state general funds. Hospice expenditures include funding the provision of hospice services to eligible Medicaid consumers in their home or a nursing facility and reimbursement for nursing facility room and board charges for Medicaid and dually eligible Medicare and Medicaid consumers enrolled in Hospice. In FY2008 Hospice expenditures totaled $2.28 million. A majority of the funding, approximately $1.98 million, covered the nursing facility room and board charge for 199 hospice consumers. The remaining $800,000 covered hospice services to 87 people.

Home health services are a federally mandated entitlement under Medicaid. Services are currently funded at approximately 68% federal and 32% state general funds. In FY2008, 379 people received Medicaid home health services at a total cost of $ 406,650. The continued gradual decrease in expenditures can be attributed to the lowering of the limits on services, changes in reimbursement methodology, shifting services to other less costly programs, and access issues affecting rural communities including a lack of skilled nursing services.

No one has received Medicaid funded home dialysis services in the past several years

Significant Issues

Program Growth: The Hospice program has experienced dramatic growth over the last few years. In FY 2002 the program's expenditures were $535,138 and in FY2008 they were $2,276,649. The quadrupling of this program can be attributed to the on-going national public education campaign, acceptance by the medical community and families of comfort and palliative care, increased utilization of the Hospice benefit in nursing facilities and the payment of nursing facility room and board out of the Medicaid Hospice budget. In response to the growth in the Hospice program, the Division has performed retrospective reviews of Medicaid Hospice providers to ascertain if there are any issues that need to be addressed related to the use of this

program. The Division found that the services reviewed were appropriately delivered and billed. Federal changes in the Hospice rate methodology may impact Montanan's access to Hospice services and affect overall Hospice expenditures (see below). However, current trends indicate continued growth in the Hospice program.

Federal Rate Methodology: Medicaid hospice reimbursement rates are based on the federal Medicare hospice rates. As of October 2008 the Centers for Medicare and Medicaid services issued a rule to phase out, over the course of the next three years, the budget neutrality factor that is paid annually to hospice providers. This will limit the annual rate increase to Hospice providers. Hospice providers are concerned that they will eventually have to scale back services, especially in rural communities, as a result of the change in reimbursement methodology.

Non-utilization of Home Dialysis: In the past several years there has been no utilization of the home dialysis program. Medicaid consumers receiving dialysis typically do not select home dialysis. Also, while the home dialysis program provides reimbursement to a trained worker to provide assistance with the care of a consumer on home dialysis, the program does not reimburse a worker for the extensive training required to provide the care, which limits the availability of workers. The Department is considering eliminating the home dialysis program.

2010/2011 Decision Packages

Decision Packages for these programs are included in Home Based Services

MONTANA
Department of Public Health & Human Services

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Adult Protective Services Program

Contact Information

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Med-Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	Rick Bartos	444-9810	rbartos@mt.gov

Overview

Adult Protective Services is the department's agency of last resort for all adult guardianships and investigations, intervention and prevention of abuse, neglect and exploitation activities of Montana seniors and disabled.

Adult Protective Services consist of a variety of functions carried out by SLTCD social workers to help ensure the health, safety and welfare of vulnerable senior citizens and persons with disabilities. Important activities include, but are not limited to:

- Receiving reports of the abuse, neglect or exploitation of elderly, developmentally disabled and disabled adults;
- Investigating reports to assess risk to clients;
- Intervening to stop abuse, neglect or exploitation if it is occurring, including removing the victim from the abuse, neglect and/or exploitation (removal within the meaning of either voluntary protective services or emergency protective services) and balancing the rights of adults with capacity to live independent lives;
- Coordinating activities among state and county agencies who provide human services and working with law enforcement if there is evidence of suspected criminal activity;
- Developing a case plan in cooperation with the client, including end of life decision making;
- Arranging for ongoing support services from other state, county and local agencies when appropriate;
- Monitoring services and periodic re-evaluation of potential risk factors.

- Working with tribal entities on protective services for elderly and developmentally disabled populations.
- Educating professionals and the public regarding issues related to the prevention of abuse and neglect of the elderly and developmentally disabled;
- Assuming the role of court-ordered guardian, conservator or surrogate decision maker, as agency of last resort, for those elderly and disabled who are unable to do so themselves.
- Assisting and consulting in the development of prevention programs and entities to provide necessary guardianship/conservatorship to individuals in the least restrictive environment available;
- Providing temporary, emergency assistance, purchased through contingency funds authorized by the legislature, to vulnerable adults in need.

Budget Overview

Funding:
Adult Protective Services are a mandated service under Montana Law, but expenditures for the program are limited to the appropriation established by the legislature. During FY2007, APS provided some form of assistance to 3522 persons at a total cost of approximately $2 million dollars. Services are funded at approximately 3% federal funds and 97% state general funds. Included in those services were 5003 investigations involving alleged adult abuse, neglect or financial exploitation. Statistics over the period from SFY1999 through SFY2008 indicate an overall increase in investigations of approximately 10% during each fiscal year. The total program budget for 2008 was $2.5 million dollars.

Staffing
Adult Protective Services staff consists of 40.25 FTE directly related to protective and supportive functions involving clients. Of the available FTE, 31.25 are social workers involved in direct services to vulnerable adults. The remaining positions include six regional supervisors, one administrative assistant located in Billings, and a bureau chief and program officer located in Helena.

Accomplishments
Allocation of FTE approved by 2007 legislative session.

SLTC made the following allocations of FTE approved by the 2007 Legislature:

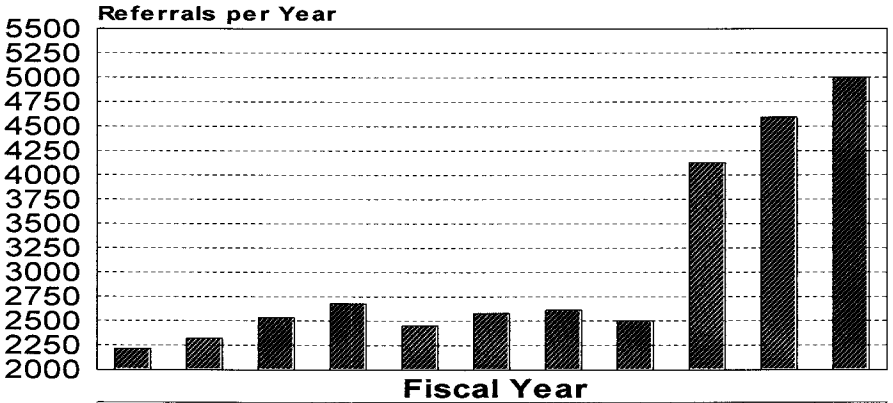
1. In 2007, SLTC (APS) maintained five regions. Region Five consisted of Missoula, Mineral and Ravalli, Flathead, Lincoln, Lake and Sanders Counties. One regional supervisor was assigned to cover this entire area. The region generated significant abuse, neglect and exploitation referrals, and guardianship cases. The Regional Supervisor could not effectively manage the caseload because of the size of the area and magnitude of the referrals and guardianships.
   In July, 2007, a sixth region was created. Region Six was created by transferring Flathead, Lincoln, Lake and Sanders counties from Region Five. A Regional Supervisor (1) FTE was hired and is located in Kalispell.

2. Increased Adult Protective Service Worker from ½ FTE to ¾ FTE serving Park and Gallatin Counties.
3. Created ¾ FTE Adult Protective Service Worker who responds to all abuse, neglect and exploitation cases on the Fort Peck Indian Reservation as well as referrals in Daniels, Phillips, Sheridan, Roosevelt and Valley counties.
4. Increased Adult Protective Service Worker from ¾ FTE to 1 FTE serving Sweetgrass, Carbon and Stillwater counties.

Significant Issues:

Increasing Referrals: The number of vulnerable people living in Montana communities rather than in nursing homes has grown rapidly over the past few years, the demand for the services provided by APS workers continues to increase dramatically. Incidents of exploitation and self-neglect have shown increases with additional demands on resources necessary due to more involvement in investigation and providing services to address the needs for the safety and independence of the victim. Referrals have increases from 4,592 in 2007 to 5,003 in 2008.

Adult Protective Services Referrals
FY 1998 - 2008



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Referrals	2213	2320	2534	2678	2451	2580	2613	2500	4130	4592	5003

Contingency Funds: During the 2003 legislative session $50,000 general fund each year was removed from the budget in the adult protective services abuse prevention grant. There currently remains $50,000 of this funding that APS utilizes to purchase a variety of direct human services from local agencies and individuals to prevent or alleviate the abuse, neglect or exploitation of the elderly and disabled. These funds are also used to purchase legal services for emergency guardianship legal proceedings in counties were the County Attorney has declined to provide the service. In order to meet the current and projected demand for Adult Protective Services the resources devoted to the program will need to steadily grow.

Caseload/Workload Management System: In 1994, the Legislative Auditor recommendation related to work load/caseload management of protective service cases was the impetus to the Adult Protective Services program contracting for the

development and implementation of a comprehensive data entry system specific to Adult Protective Services. The system is known as "Operation Protect Montana." The system design efforts have identified three major levels of management assessment and reporting: social workers, regional supervisors and division/agency management. The system collects data on caseload per worker; acuity level (or difficulty of a case per worker); duration that an investigation/referral is opened, guardianship appointments and other demographic information). The system provides empirical data used by management to allocate resources and personnel and evaluate program objectives.

Guardianship Alternatives: Montana does not have a formal Public Guardianship Program. A product of the increasing number of people living longer lives in more integrated settings is an increase in the need for court appointed guardians. When District Courts establish there is a need for a guardianship, and no relatives or friends are willing or able to assume that role, the courts will appoint an APS protective worker to serve in that role. APS staff persons currently manage 225 guardianships across the state. Few relationships are as important, intimate and time consuming as the one between a ward and a guardian. The personal nature of many guardianship decisions are such that they might be better performed by someone other than an employee of government. Given the demographic realities of an aging population, the demand for suitable guardianships will only increase. Increased demand for protective services and increased legal costs for representation of department in guardianship proceedings are difficult to manage with the recent funding reductions Montana needs to continue to explore alternatives to the current practice of using APS worker as guardians when no relative, friend or other interested person is available.

Decision Packages

NP 22112 New APS Field Staff-This request is to add 4 additional adult protective services FTE over the biennium. Request is to add 2.5 FTE in 2010 and an additional 1.5 FTE in 2011, utilizing state special revenue from lien and estate recovery funds to handle the increase in adult abuse/neglect/exploitation referrals. Total fund request for the biennium is $384,842. (See LFD book , page B-288)

Expanded Justification: Montana has been experiencing an approximate 10% increase in adult abuse/neglect/exploitation referrals in one year (FY 07--- 4592 referrals; FY 08----5003 referrals). The referral increase has been ongoing for several years. Montana APS staff to referral ratio is targeted at 90 referrals per worker per year and 5-6 guardianships per person per year. Targeted caseload and acuity levels (difficulty of case) now exceed available personnel.

Adult Protective Services is the only statutorily identifiable state agency serving as "public guardian" for adults who are in imminent risk of injury or death and are incapacitated. APS is experiencing significant pressure from various health care providers and advocacy institutions to become guardian to an increased vulnerable population. APS saw an increase of 33 additional guardianships in one fiscal year

despite efforts to transfer cases to non-profits (FY 07; 185 guardianships FY 08; 218 guardianships). Currently APS has 225 guardianships.

This request is for four (4) additional adult protective service workers over the biennium. Looking at current areas of need the expected allocation of these FTE would be as follows:

1 FTE North Central part of Montana where Cascade County alone has seen 19 % increase (82) referrals;

1 FTE Southwest region, to be apportioned as follows--- ½ FTE for Lewis and Clark, Broadwater, Meagher and Powell counties and ½ FTE to existing personnel for Gallatin and Madison counties 8 % increase,

1 FTE in Silver Bow County with 27 % increase (56) referrals (155 cases to 211 cases).

1 FTE APS CSW, Montana has no established public guardianship program. One FTE would be added with specific duties to monitor ongoing guardianship role of the state and their wards, make contact with ward; review and recommend continuation/termination of guardianship status; coordinate resources (both personnel and assets, public and private) on who can become a guardian, substituting the state from the role of guardianship; provide a centralized, coordinated state contact person when issues of guardianship arise.

Adult Protective Services Workers Statewide

Region 1
1 Regional Supervisor (Miles City)
1 ½ time APS Social Worker (Custer, Garfield, Powder River, Rosebud & Treasure)
1 Full-Time APS Social Worker (Carter, Dawson, Fallon, McCone, Prairie, Richland, Treasure, Wibaux)
1 Full-Time APS Social Worker (Daniels, Phillips, Roosevelt, Sheridan, Valley)
1 ¾ time APS Social Worker (Daniels, Phillips, Roosevelt, Sheridan, Valley)

Region 2
1 Regional Supervisor (Great Falls)
3 Full-Time APS Social Workers (Cascade, & East Choteau)
1 Full-Time APS Social Worker (Glacier, Pondera, Teton Toole)
1 Full-Time APS Social Worker (Blaine, Hill, Liberty, West Choteau)

Region 3
1 Regional Supervisor (Billings)
1 Administrative Support Worker (Billings)
3 Full-Time APS Social Workers (Yellowstone)
1 Full-Time APS Social Worker (Big Horn, Yellowstone)
1 Full-Time APS Social Worker (Fergus, Judith Basin, Petroleum, Wheatland)
1 Full-Time APS Social Worker (Golden Valley, Musselshell, Yellowstone)
1 ¾ APS Social Worker (Carbon, Stillwater, Sweetgrass)

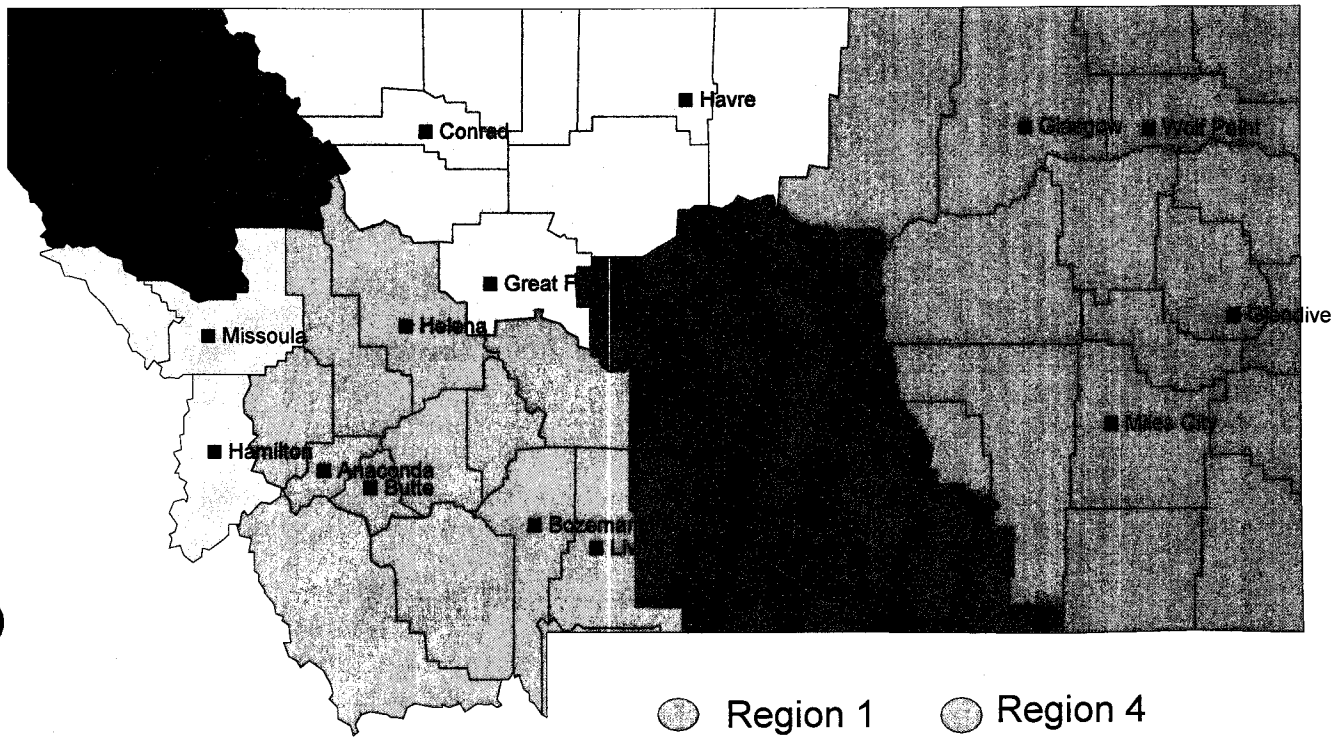
Region 4
1 Regional Supervisor (Helena)
2 Full-Time APS Social Workers (Broadwater, Jefferson, Meagher, Lewis & Clark)
1 Full-Time APS Social Worker (Gallatin)
1 Full-Time APS Social Worker (Silverbow)
1 Full-Time APS Social Worker (Deer Lodge, Powell)
1 ¾ Time APS Social Worker (Park)
1 ½ Time APS Social Worker (Beaverhead, Madison, Whitehall portion Jefferson County)

Region 5
1 Regional Supervisor (Missoula)
2 Full-Time APS Social Workers (Missoula, Mineral, Granite)
2 Full-Time APS Social Workers (Ravalli)

Region 6
1 Regional Supervisor (Kalispell)
3 Full-Time APS Social Workers (Kalispell)
1 Full-Time APS Social Worker (Lincoln, Sanders)
1 Full-Time APS Social Worker (Lake)

Central Office
1 Bureau Chief (Helena)
1 Administrative Specialist (Helena)

Adult Protective Services Regions



Region 1
Region 2
Region 3
Region 4
Region 5
Region 6

■ Denote APS Office

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Aging Services Program

Contact Information

This is a list of primary contact information for the division.

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Med-Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	Charlie Rehbein	444-7788	crehbein@mt.gov

Overview

The Office on Aging in the Senior and Long Term Care Division has been designated as the State Unit on Aging for the purposes of administering the Older Americans Act programs in Montana. The Office on Aging contracts with the "Aging Network", which consists of 10 Area Agencies on Aging, 34 county councils on aging, 157 senior centers, 173 congregate meal sites, and 137 home delivered meal providers as well as numerous local providers serving Montana's elderly population 60 years and older.

Services provided through the Aging Network include congregate meals, escort services, home chore, home delivered meals, home health aide, homemaker, health screening, information referral and assistance, legal assistance, medical transportation, nutrition counseling, personal care assistance, respite care, senior center, shopping assistance, skilled nursing, telephone reassurance, transportation and ombudsman services.

Ten (10) FTE work in the Aging Services Bureau. The program services which are also provided from the Office on Aging are:

The Long-Term Care Ombudsman is the advocate for all residents of long-term care facilities (mainly nursing homes and personal care homes). Ombudsmen act as access points for consumers by providing information or direct assistance regarding concerns about the health, safety and rights of residents. Services are provided at the local level by 32 Local Ombudsman (which translates to12.74 FTE), 2 Volunteer Certified Ombudsman, 4 full-time Regional Ombudsman (4 FTE) and two Friendly Visitor volunteers. These individuals are hired and directly supervised by local Area Agencies on Aging or the County Councils on Aging. All Ombudsmen are certified and

receive training on federal and state regulations, resident rights information as well as techniques for complaint investigation and resolution. Ombudsmen personnel visit their assigned facilities regularly (usually at least once a month)
The **Elderly Legal Assistance Program** provides training for seniors, family members and others on elder law. The program develops pro-bono and local legal service referrals, training materials and telephone assistance to seniors on legal questions.
The **State Health Insurance Assistance (SHIP) Program** is a statewide source of program information for beneficiaries of Medicare, Medicaid, Medicare supplemental policies, long-term care insurance and other health insurance benefits. (125) local counselors have increased the distribution of Medicare and Medicaid education and information to individuals and groups; have developed educational seminars and outreach.
The Information, Assistance and Referral Program is a service designed to link Montana's seniors, their family members and caregivers with needed services. There are 90 I&A Technicians statewide who work through Area Agencies to provide information about services, make proper referrals, and do public education and outreach work within their communities.

Budget Overview

Funding

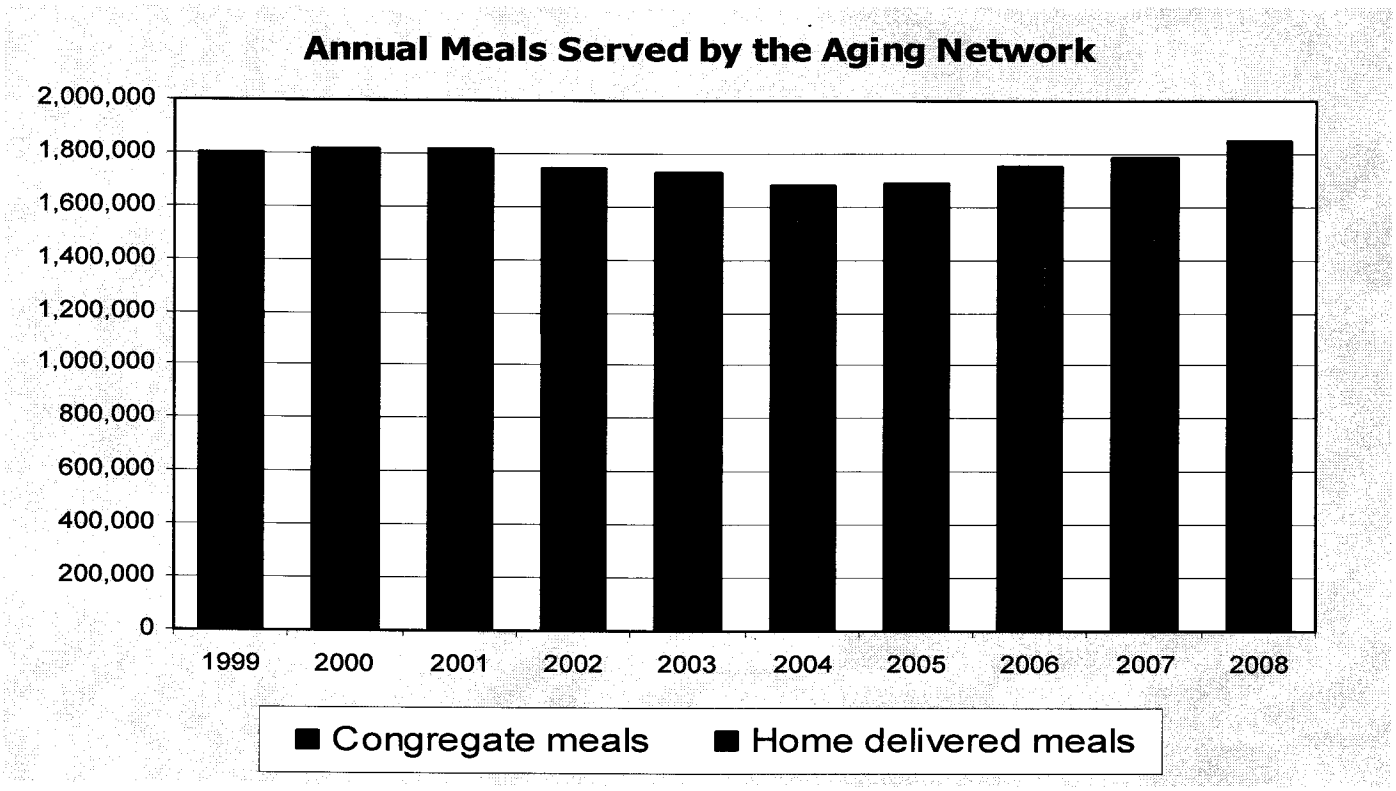
Of the approximately 179,750 people in Montana age 60 and over, the aging network served 54,452 senior citizens in FY2008. The funding for these services is made up of federal Older Americans Act funds, state general funds, USDA commodities, Cash-in-Lieu of commodities, local matching funds, participant contributions and other resources. The matching program rate is 85% federal funds and 15% state/local match. In FY2008, SLTCD Aging Services expenditures of state and federal funds for these services were $10.08 million. Total expenditures, including local funding from county government and private donations, was $22.2 million.

Major Accomplishments
The Division implemented or expanded several programs with funding provided by the 2007 Legislature over the 2009 biennium

One Time Only Funding $1.5 million The 2007 Legislature provided $1.5 million in One-Time-Only (OTO) funds to expand aging service programs for services to the elderly. These funds were used to remodel and renovate senior centers, and maintain and expand such services as congregate and home delivered meals, homemaker, health screening, ombudsman, personal care, respite care, skilled nursing, transportation, as well as Senior Corp and Retired Senior Volunteer (RSVP) Programs

In fiscal year 2008, the Aging Network provided 1,188,002 congregate meals to about 28,000 people and a record high 656,585 home delivered meals to 7,000 people

across Montana. Compared to fiscal year 2007, where the Aging Network provided 1,156,992 congregate meals to 28,000 people and 625,603 home delivered meals to 6,800 people. The following chart shows the changes in meals over the past ten years.



2 FTE were approved by the 2007 Legislature:

1 FTE was added to the State Ombudsman program
1 FTE to the State Health Information Program (SHIP) to address the increasing elderly population and the increased demand for services and information as well as the Medicare Part D drug program.

Aging Disability Resource Centers

Currently, there are three Aging and Disabilities Resource Centers (ADRC's) in Montana. They were developed through a grant from the Centers for Medicare and Medicaid (CMS) and the Administration on Aging (AoA). The overall goals of the ADRC model are to serve as a consolidated entry point to long term care services and streamline access to the system. One of the major projects completed under the grant was to develop a web based application system for all the major DPHHS long term care applications (including Medicaid, Food Stamps, LIEAP, Big Sky Rx, CHIP, Aging and Vocational Rehabilitation applications). The system can save application data and pre-populate successive applications with stored information, thus, streamlining the application process for consumers.

The first ADRC was developed in 2003 in Yellowstone County through the Yellowstone County Council on Aging. In 2006 the remaining 10 counties and 2 Native American Reservations in the Area II Agency on Aging (located Roundup) and Area XI Agency on Aging (which services Missoula and Ravalli counties) were added. These ADRCs provide information, education and assistance to elders, people with physical disabilities and their family or caregivers regarding various public benefits and long term care services available to them.

Significant Issues

Aging Demographics

Montana is aging at a faster rate than most of the other States in the Union. The 2000 U.S. Census showed that Montana's 65 and older population was at 13.4% while the United States is at 12.1%. By 2006, Montana's 65 and older population had increased to 14.0% compared to 12.4% increase for the United States. Moreover, the 2005 census projections indicated that by 2030, Montana is expected to rank 5th in the Nation in the percentage of people over the age of 65 at 25.8%.

In 2006, the first of the Baby Boom generation began turning 60 years old and for the next 19 years, a Baby Boomer will turn 60 every 7.5 seconds. In Montana, this equates to 25 people every day turn 60 or more than 9,100 each year. This combined with the fact that the 85 and older age group has been identified as the fastest growing segment of our society means that we are an aging society and people are living longer.

In 2005, the U.S. Census Bureau indicated that Montana's 85 and older population was 1.4% of our population while the nationally, the 85 and older group is currently at 1.3% of the total population concentrated in the age group 100 to 104 years old. In 2000, Montana had 160 people aged 100 or older. It is projected that by 2030, this age group could be over 3,000.

Many Rural/Frontier communities in Montana are already at or above the 2030 projection of 25.8% of their populations being over the age of 65 and several of our counties are rapidly nearing this figure.

Providing services to our rural frontier communities is going to be a challenge for several years to come as Montana ages. Currently, Montana has 32 communities that have 20 to 36.1% of their total populations over the age of 65 and 18 of our 56 counties have a 65 and older population ranging from 19 to 25.5% of their total county populations. As our rural frontier communities age, the challenge will be to develop or modify the service delivery system to allow people to age in their homes and home communities with dignity and some quality of life.

Nutrition: Congregate and home delivered meals including nutrition screening, assessment and counseling are an important part of prevention activities as

well as a major component in maintaining the elderly in their home and community settings. National studies have shown that nutrition assessments are an important because they show a persons level of nutrition risk and are a very reliable indicator of risk for hospitalization. Currently, the Aging Network serves congregate meals at 173 designated sites an average of 3.5 days per week and home delivered meals are served from 137 designated sites an average of 4 days per week. There is a need to increase congregate meals to 5 days per week and home delivered meals to 7 days per week. Adequate nutrition is critical to health, functioning and quality of life for people of all ages. For the elderly, nutrition is especially important, because of their vulnerability to health problems and physical and cognitive impairments.

Currently, about 25% of senior centers do not directly provide home delivered meal programs. Of those that do, only about 56% deliver home delivered meals outside the city limits. While most of the home delivered meals are hot meals, some centers provide frozen meals, especially on weekends to tide people over until the start of the next week.

The actual delivery of the meals is the largest challenge for many senior centers. There is a great deal of variation on how meals actually are delivered. Some centers use their vans and pay drivers, some use volunteers and provide a stipend for gas, while some smaller communities operate on a totally volunteer system. Because of economic constraints, some senior centers are providing multiple frozen meals at a time to save delivery costs or because of the lack of volunteers to deliver meals.

Transportation: Over the past 18 months, the Governor's Advisory Council on Aging has conducted 3 town meetings to determine what the issues and concerns of the elderly are. Transportation was one of the major concerns stated by those who participated. As our population ages, the ability to drive one's self begins to decline for many elderly due to eye sight issues, physical impairments and illnesses. Being able to have reliable and safe transportation to get to medical services, shopping, church and entertainment activities will become an issue for an aging society, especially those who are unable to drive themselves. In Fiscal Year 2008, the aging network provided 442,108 rides to 5,101 elderly across Montana. The need for transportation services will continue to increase as our society ages.

Older Montanans Trust

In 2007, the Legislature passed Senate Bill 155, which established the Older Montanan's Trust Fund with $7.7 million of One-Time-Only from the Big Sky Rx program. This landmark legislation was passed for addressing Montana's elderly population growth over the next 20 to 30 years. The 2000 Census ranked Montana 14th nationally in percentage of people over the age of 65. With the 2007 Census update, Montana has moved into 10th place and is expected to rank no less than 5th by 2025. Montana currently ranks 12th in the nation for percentage of the total population who are 85 years and older.

National statistics indicate that the 85 and older age group is the fastest growing segment of our society

2010/2011 Decision Packages

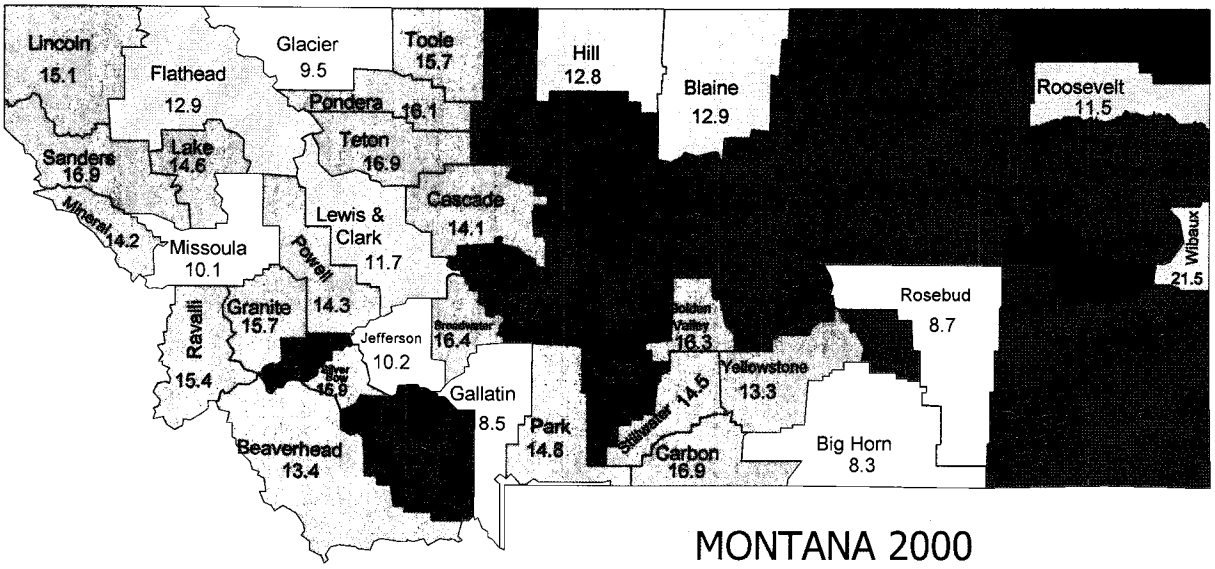
Present Law Adjustments

PL 22209 Annualize Aging Services Provider Increase-This request is for $452,620 in general funds to annualize the 2.5% provider rate increase that was appropriated by the 2007 legislature for the aging services program. (See LFD book, page B-282)

PL 22220 Increase in Federal Aging Grants- This request is for $307,709 in federal funds over the biennium to address increases in several grant awards that are not reflected in the base budget for this program. (See LFD book, page B-282)

New Proposals No New Proposals

PERCENTAGE OF 65 YEARS OF AGE AND OLDER BY COUNTY

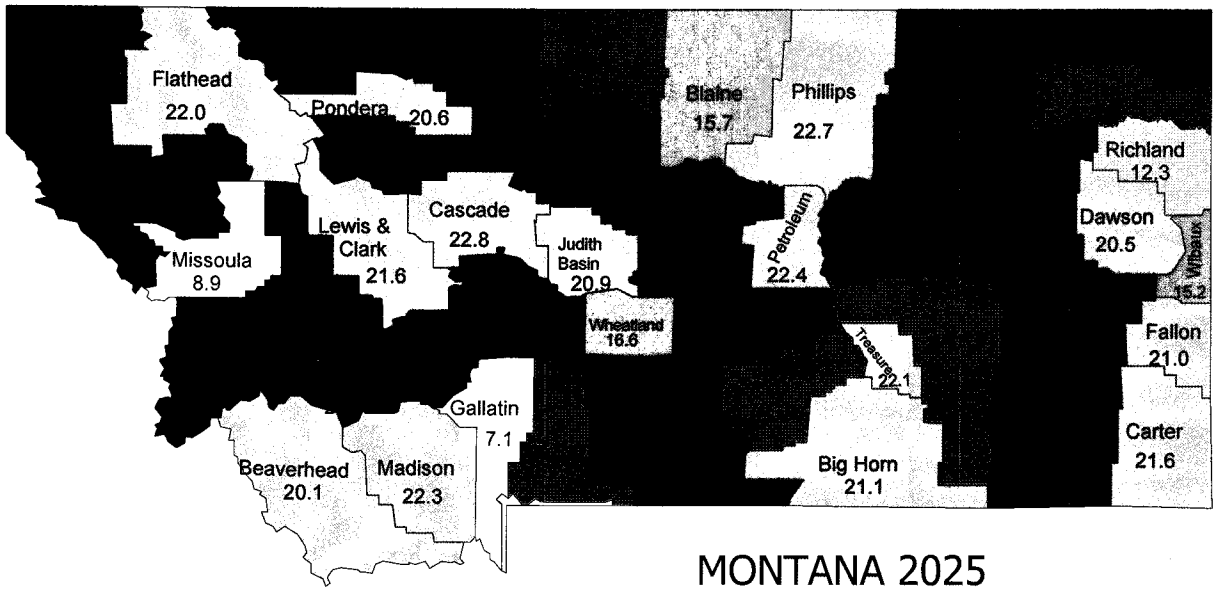


MONTANA 2000

PERCENT OF COUNTY POPULATION 65+

Range = 8.3% to 24.2%
St average = 13.4%
Median = 16.3%

- 8.0 to 10.9
- 11.0 to 13.9
- 14.0 to 16.9
- 17.0 to 19.9
- 20.0 to 22.9
- 23.0 and over



MONTANA 2025

PERCENT OF COUNTY POPULATION 65+

Range = 7.1% to 38.3%
St average = 19.2%
Median = 23.4%

- 8.0 to 10.9
- 11.0 to 13.9
- 14.0 to 16.9
- 17.0 to 19.9
- 20.0 to 22.9
- 23.0 and over

MONTANA
Department of Public Health & Human Services

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Montana Veterans Home

Contact Information

This is a list of primary contact information for the division.

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid-Health Services	Mary Dalton	444-4088	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	Rick Norine	444-4209	rnorine@mt.gov
Superintendent	Ron Balas	892-3256	rbalas@mt.gov

Major Functions:

The mission of the Montana Veterans Home is to provide the highest possible level of quality, skilled and intermediate nursing home care to veterans and their spouses, in a cost effective manner, at the lowest possible cost to the veteran. MVH is a one hundred five (105) beds licensed and certified skilled nursing facility, providing all of the care that is typically found in any community nursing home. In addition to the nursing facility, MVH operates a twelve (12) bed domiciliary unit. The "Dom" provides supervision and assistance in a residential setting to Veterans who are able to meet their own self-care needs.

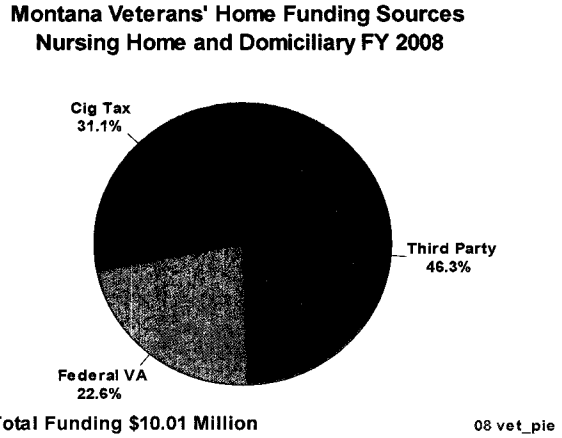
MVH was established in 1896 when Governor Rickards laid the cornerstone on May 30. This was the result of a request by the G.A.R. (Grand Army of the Republic), an organization of Civil War and Indian Wars veterans. Since that time the Montana Veterans' Home has served nearly 9000 veterans from the Civil War, Indian Wars, Spanish-American War, World War I, World War II, Korean Conflict and Vietnam, and other military conflicts.

The 2000 census indicates that 108,476 Veterans make their homes in Montana, and 37,631 veterans were over 65 years of age. According to census figures Veterans account for about 16 % of the adult population in four states Montana, Nevada, Wyoming and Maine (http://www.census.gov). MVH has a long history of providing for the needs of veterans who have served our country to insure freedom of its citizens.

Budget Overview

Funding

Montana veterans are admitted if they are over 55 years of age, or in need of care, and have had active service in the armed forces. Spouses of veterans may also be admitted if "space is available". The current facility population is one hundred 100 *residents*. Eighty-nine (89) nursing home residents and eleven (11) residents in the domiciliary live at the facility. Ninety-four (94) residents are male, and six (6) are female, and two (2) residents are the spouses of veterans. As is the case with most nursing homes, the facility participates in the Medicaid and Medicare programs. In addition, MVH historically has been funded by charging members for their care at the facility based on their ability to pay. As of October 1, 2007 the federal Department of Veterans' Affairs contributes $ 71.42 for each day of nursing home care provided to a veteran at MVH and $33.01 per day for domiciliary care. The VA per diem will increase to $74.42 for the nursing facility and $34.40 for the Dom effective October 1, 2008.



Until 1992 the state general fund provided the remainder of funding necessary to provide care that is given to members In FY 2008 the total cost of operation for MVH was $9.4 million dollars.

Cigarette Tax

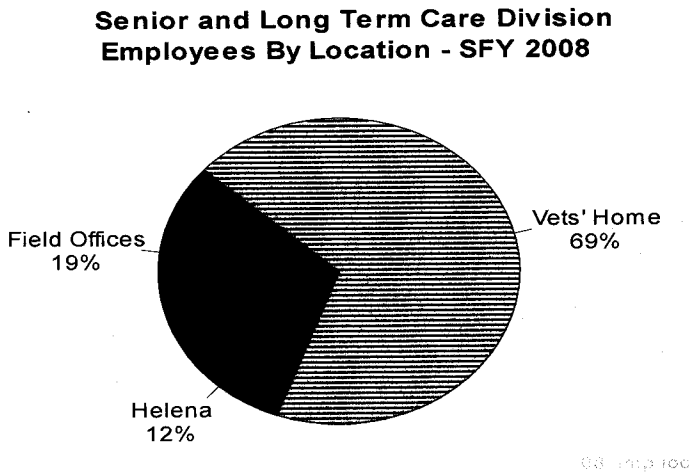
Since 1992 there has been a 2-cent per pack cigarette tax, which was designated as revenue to be used to offset the expenses for those veterans at the facility who could not pay full cost. Effective in January 1, 2005, cigarette taxes collected under the provisions of 16-11-111 must, in accordance with the provisions of 15-1-501, be deposited as follows:

- 8.3% or $2 million, whichever is greater, in the state special revenue fund to the credit of the department of public health and human services for the operation and maintenance of state veterans' nursing homes;

- If money in the state special revenue fund for the operation and maintenance of state veterans' nursing homes exceeds $2 million at the end of the fiscal year, the excess must be transferred to the state general fund.

Staffing

The Montana Veterans Home has 130 FTE working in the state operated veterans nursing facility.



2009 Biennium Major Accomplishments

The Division implemented or expanded several programs with funding provided by the 2007 Legislature over the 2009 biennium.

5.8 FTE approved by the 2007 Legislature were added to provide additional direct care staffing resources in the Special Care Unit at the Montana Veterans Home in Columbia Falls and for a pharmacy clerk to work with the Medicare Part D prescription drug program at the facility.

Remodeling and equipment replacement -One-time-only state special revenue funds for facility upgrades of $330,000 over the biennium was used to upgrade the facility including replacing eighty (80) beds and remodeling resident bathrooms.

Nurse Training Programs MVH has entered into agreements with the Salish-Kootenai College and the Flathead Valley Community College to provide RN and LPN students (respectively) clinical experience at the facility. Students from both colleges have an opportunity to practice nursing skills at the facility and gain first hand knowledge of the facility and its operation.

Students receive their classroom training at the facility's Chapel building and clinical training on the facility's nursing home units. The college usually schedules two to three trainings per year. The last training was held in July of 2008. The facility does not charge the college for use of its facilities.

In addition, MVH offers certified nurses aide-training classes. The trainees are hired as employees during their education period. They receive free training, books and are paid for the training time. During their training, they will be paid at Band 2 level

($7.67/hr). Upon completion of the class and receipt of certification documents, they will be paid at Band 3 level ($10.50/hr).

The facility aide training program is a success in reducing the use of traveling agency aides. The latest class completed training and orientation in September of 2008 and in October they were integrated into the facility-staffing pattern. A traveling aide costs $21.80 per hour. The facilities first aide training class was in Sept/Oct of 2005, and MVH has estimated the cost of a single class at $8750. The facility conducted three classes in FY08 costing $26,250.

Facility aide training programs that hire workers before they are trained as nurse aides have very high turnover rates. In FY06, the facility was only able to retain six of thirty-two trainees hired in the nurse aide-training program for an 82% turnover rate. In FY07, the facility retained eight of 35 hired for a 77% turnover rate. In FY08, the facility retained 14 of 25 hired for a 56% turnover rate.

General Outcomes

- The overall recruitment and retention efforts adopted by MVH management have mitigated the facilities dependency on agency staff.
- Facility aide training programs that hire workers before they are trained as nurse aides have high turnover rates. Management feels the program is successful in recruiting nurse aides but not with the same success in retention of those nurse aides.
- Creation and use of aggregate/per diem nurses and aides has contributed to reducing the use of agency workers. MVH is able to attract temporary workers by paying wages comparable to those paid by agencies.
- Wage increases improved the facility's employment competitiveness in the Flathead Valley particularly with professional nurses. This may be the single most important reason for reducing the dependence on agency staffing.

Issues

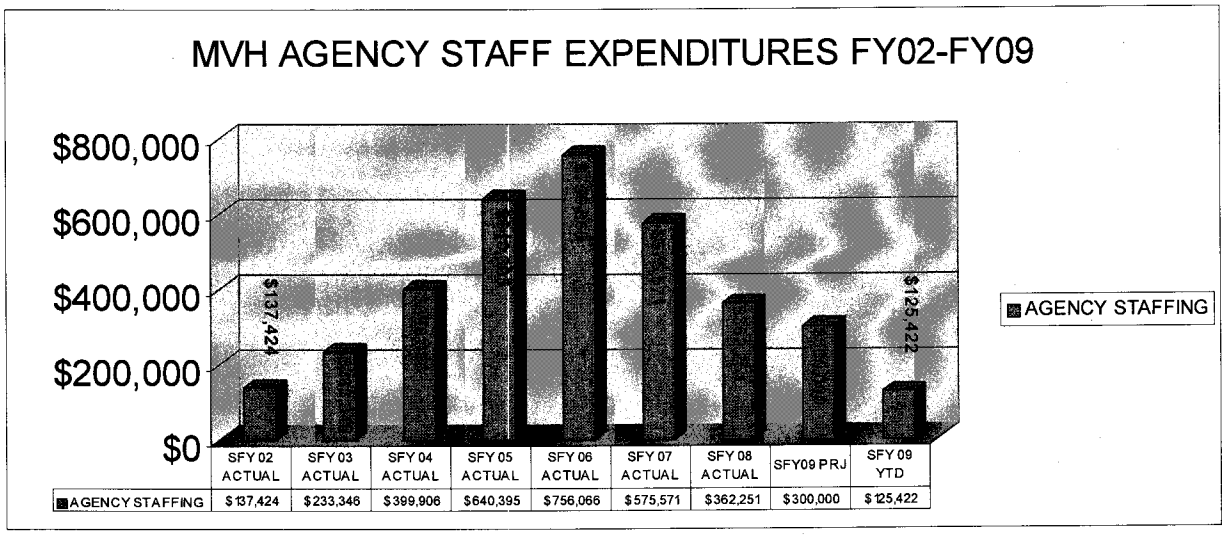
Staffing and Salaries:
In recent years MVH has experienced some of the same staff recruitment and retention difficulties that private nursing homes are encountering. In many cases the state wage rates for aides and nurses are not competitive with those of the private sector nursing homes. While many of the state employee benefits continue to be better than those in the private sector, many potential employees are concerned with little beyond the hourly salary. In many cases the state wage rates for nursing aides and nurses cannot react to the changing competitive wage rates paid in private sector nursing homes and other health care settings, especially in competitive areas of the state such as the Flathead Valley.

MVH has continued to collect and assess labor market data for all levels of nursing, which includes Registered Nurses, Licensed Practical Nurses, and Certified Nursing Assistants in Montana, as well as the greater Flathead area. As a result, Montana Veterans Home (MVH) has proposed to make additional wage adjustments, which reflect the nature of the competitive labor market in the area, through a combination of market adjustments and Legislative appropriated increases. The Department believes these adjustments are necessary because of the difficulties MVH is continuing to experience in recruiting and retaining qualified RN's, LPN's, and CNA's.

In the fall of FY07 MVH began a program of hiring temporary workers in aggregate and per diem categories. Aggregate workers were hired at State entry-level wages while per diem workers were hired at rates competitive with private agencies. RNs were paid at $26.00, LPNs at $18.00 and CNAs at $14.65. According to State policy, per diem workers can only work 90 days in a calendar year while there is no limitation on aggregate workers.

While the number of professional staff vacant positions has been reduced the Montana Veterans Home is still experiencing difficulty in retaining qualified professional and non-professional nursing personnel. In order to staff vacant positions, facility management utilizes traveling nurses and nurse aides through contracts with temporary agencies.

Utilization and costs for temporary services increased 60% to 71% per year from FY02 to FY05. The expenditures for FY06 were $741,000. In FY 07, projections in the first six months ran as high as $810,000 with a final expenditure of $575,600. FY08 expenditures were $362,250. RNs working for temporary service agencies are paid $25.00 per hour, LPNs $17.00 per hour and nurse aides $13.50 per hour. These hourly rates are $3 – $5 per hour more than entry-level rates at the facility. The use of temporary workers is helpful to maintain staffing levels and reduce workloads for facility workers; but it also impacts morale and negatively impacts retention in that agency workers are paid more than facility employees.



	SFY 02 ACTUAL	SFY 03 ACTUAL	SFY 04 ACTUAL	SFY 05 ACTUAL	SFY 06 ACTUAL	SFY 07 ACTUAL	SFY 08 ACTUAL	SFY09 PRJ	SFY 09 YTD
AGENCY STAFFING	$137,424	$233,346	$399,906	$640,395	$756,066	$575,571	$362,251	$300,000	$125,422

The Division is requesting through the executive planning process a recruitment and retention contingency fund be established for FY 2010/11 for the Montana Veterans Home to provide for recruitment and retention wage increases. This contingency funding of $167,615 from state special revenue would be for the purpose of maintaining competitive wages for direct care staff and would allow the facility to react to changing market conditions if the state wage scale lagged behind the current market rates being paid for direct care staffing in this area of the state.

VA Grant for Recruitment and Retention

MVH plans to participate with the VA grant program for nurse recruitment and retention. Contained in H.R. 3936, Title II, Section 201 is an allowance to provide assistance for hiring and retention of nurses at State Veterans Homes. A State may use funds to promote an employee incentive scholarship program or other employee incentive program at a State home designed to promote the hiring and retention of nursing staff and to reduce nursing shortages at that home. The assistance must take into consideration the need for flexibility and innovation. There are limitations on amount of payment: These funds will be available beginning July 1, 2009.

Payment for the nurse hiring and retention assistance program (NHRAP) may not exceed fifty percent (50%) of the cost for a fiscal year. The State must provide the remaining fifty percent (50%) The maximum federal grant payment will be equal to, two percent (2%) of the State Homes annual per diem payment. The two percent (2%) will be calculated on Federal fiscal year, October – September. A Home must have a twelve (12) month VA Per Diem history to be eligible to apply for grant funds. All funds must be expended in the approved fiscal year. Unexpended funds from this section must be returned.
The MVH nurse turnover rate for 2008 was approximately one hundred fifteen percent (115%).

2010/2011 Decision Packages
Summarize DPs and briefly describe the need. Include detail on significant issues.

The Division has requested increased funding for the operation of both veterans facilities as part of the 2009 legislative request for the 2011 biennium. These proposals include additional staffing resources to meet the needs of residents at the MVH facility, as well as, requests for funding for upkeep and renovations of the physical plants at both facilities and additional resources to provide for adjustments in operating costs for overtime, holiday pay, differential pay, increased food costs, utilities and other supplies at the MVH facility. These requests are funded from state special revenue derived from cigarette/tobacco taxes.

Present Law Adjustments:

PL 22201- Montana Veterans Home Contingency Funds – Continue appropriation of $250,000 in state special revenue for each year of the biennium. Can only be used with Budget Office Approval if federal and/or state special revenue is insufficient to operate the Veterans Home in order to maximize the draw down of federal funds. This has been used in past bienniums but not in 2008. (See LFD book, page B-278)

Language Montana Veterans Home Contingency Fund. "Funding in Montana Veterans' Home Contingency Fund may be used only if federal and private revenue available from federal special revenue and private payment state special revenue appropriations in fiscal year 2010 or fiscal year 2011 are insufficient to operate the homes at capacity to maximize collection of federal and private payments. The office of budget and program planning shall notify the legislative finance committee when the appropriation will be used. (See LFD book, page B-274)

PL 22210 MVH Restore Overtime/Holidays Worked- This request is for $769,325 over the biennium from cigarette tax state special revenue to provide for adjustments in personal service costs for overtime, holiday pay and differential. (See LFD book, page B-274)

PL 22222 MVH Operating Expenses- This request is for $527,300 over the biennium from cigarette tax state special revenue funds to provider for adjustments in operating costs intrinsic to the operation of the Montana Veterans Home that experiences fluctuations in costs due to the nature of the nursing home industry, and to replace the current three meal plan with a new five meal plan that is aimed at reducing waste and provide increased meal options to residents. (See LFD book, page B-274)

New Proposals

NP 8101 Increasing Vacancy Savings from 4% to 7%- This decision package represents the increase in vacancy savings rates from 4% to 7%. There is a 4% vacancy savings built into the adjusted base and this reduction recognizes the additional 3%. Institutions were not assessed the additional 3% vacancy savings. (LFD book, page B-)

NP22102 MVH/DOM Nursing Wing and Facility Upgrades- This proposal reflects the estimated cost of two repair and maintenance projects at the Montana Veterans Home in Columbia Falls. One will involve replacing flooring, doors and handrails in the nursing wing/hallway. The second will be to improve the Domiciliary, by refurbishing the rooms and repairing or replacing sinks, tiles etc. This project will be $165,000 in each year of the biennium funded with cigarette tax state special revenue. (See LFD book, page B-279)

NP 22105 MT Veterans Home Safety Officer- This request is for $110,958 of state special revenue for the biennium to add a 1.00 FTE for a safety officer at the Montana

Veterans Home. This position will focus on the total facility safety program including on the job training and safety analysis in order to reduce workman's compensation claims and increase safety programs for workers at this facility. (See LFD book, page B-279)

NP 22115 MT Veterans Home New CNAs FTE- This request is to add $448,388 in state special revenue from cigarette tax to fund 4.8 additional certified nursing assistant FTE to address increased resident acuity at the Montana Veterans Home. This request is to staff one certified nursing assistant on each shift for seven days each week or 1.6 FTE x 3 shifts for 4.8 FTE. (See LFD book, page B-279-280)

NP 22117 MVH Additional Aggregate RNs –Request is for $366,885 in additional state special revenue funds to add 2.00 FTE to the aggregate RN positions in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. Aggregates were used to reduce the reliance on contracted agency workers in 2008, but these FTE nor their funding are reflected in the personal services snapshot thus this funding and FTE is not carried forward in this facilities budget to continue to be used to avoid higher cost agency staff to fill this need. (See LFD book, page B-280)

NP 22118 MVH Additional Aggregate LPNs- Request is for $61,217 in state special revenue from cigarette tax funding to add .50 FTE to the aggregate position for LPNs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. Aggregates were used to reduce the reliance on contracted agency workers in 2008, but these FTE nor their funding are reflected in the personal services snapshot thus this funding and FTE is not carried forward in the budget to continue to be available to avoid higher cost agency staff to fill this need unless this decision package is approved. (See LFD book, page B-280)

NP 22119 MVH Additional Aggregate CNAs- Request is for $169,769 in state special revenue from cigarette tax funding to add 3.00 FTE to the aggregate position for LPNs in order to fund what the facility spends annually to provide relief staffing in the form of on-call and per diem employees. Aggregates were used to reduce the reliance on contracted agency workers in 2008, but these FTE nor their funding are reflected in the personal services snapshot thus this funding and FTE is not carried forward in this facilities budget to continue to be used to avoid higher cost agency staff. (See LFD book, page B-280)

NP 22120 MVH Additional Aggregate Activity Positions- this request is for $221,673 in state special revenue funds for 3.0 Activity FTE. This is the position that the facility uses to pay trainees hired to take the four week certified nurse aide training class. The facility hires 10 people at $8.00 per hour plus benefits while they participate in the four week training class. Facility has an on-site training program and at the end of the training the facility can retain most of these employees thus reducing the cost of using temporary nursing services. (See LFD book, page B-280)

NP 22122 MVH Wage Increases Based on Wage Survey-This request is for state special revenue funding in the amount of $167,615 over the biennium, to maintain competitive wages for professional nurses and nurse's aides at the Montana Veterans Home when compared with wages paid at other nursing homes in the Flathead Valley. This request provides a contingency fund to maintain competitive wages, utilizing a Flathead Valley Market survey for staff to determine if wages at the facility are significantly lagging behind other wages being paid for staffing at comparable facilities and allow the facility to make adjustments to stay competitive in staffing the facility. (See LFD book, page B-280)

Long Range Building- HB 5

There are no long range building requests for the Veterans Home included in the Governor's budget. There is funding in DPHHS Energy Projects-Statewide to be used for energy conservation measures at DPHHS institutions included in HB-5.

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services
Joint Appropriations Subcommittee
Senior and Long Term Care Division

Overview of Eastern Montana Veterans Home

Contact Information

Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid/Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov
Bureau Chief	Rick Norine	444-4209	rnorine@mt.gov
State Liaison	Gary Gaub	345-8855	ggaub@mt.gov

Overview

This is a brief description of the program/division and its purpose/mission, including major bureaus, programs, and/or organizational chart.

The Eastern Montana Veterans Home (EMVH) is one of two state veterans' nursing homes. The State of Montana operates the Montana Veterans nursing home in Columbia Falls and oversees a contract for the operations for the Eastern Montana Veterans nursing home in Glendive as a continuing commitment to those that have served their country. The recipients of this benefit answered a call to arms when our country needed them. The veterans of Montana have repeatedly expressed their continuing support of our state veterans' homes. The 2000 census indicates that 108,476 Veterans make their homes in Montana, and 37,631 veterans are over 65 years of age.

The mission of EMVH is to provide the highest possible level of quality, skilled and intermediate nursing home care to veterans and their spouses, in a cost effective manner, at the lowest possible cost to the veteran. EMVH was built in 1994 and opened its doors for admissions on July 17, 1995. It provides 80 skilled and intermediate nursing home beds, including 16 beds dedicated to Alzheimer or dementia residents. EMVH offers the complete array of nursing home services. These services include activities, physical therapy, barber services, beautician services, occupational therapy, respiratory therapy, pharmacy services, registered dietician services, social services, discharge planning, spiritual services, veteran support services, and laundry services. Referrals are made to allied health services such as hospital care, emergency health care, mental health, drug and alcohol

treatment, Alzheimer support, hospice, veterans' service, etc.

The Senior and Long Term Care Division (SLTCD) contracts for the operations and the management of EMVH. The Glendive Medical Center (GMC) has been the independent contractor responsible for management and operation of the facility since the facility opened its doors. A SLTCD employee located on site at the facility is responsible for monitoring contractual compliance and serves as the liaison between the state, the contractor and the veteran's administration. The current contract with GMC expires on June 30, 2009, and a Request for Proposal (RFP) will be issued in early 2009 to invite contractors to submit a proposal on for the operation of EMVH.

Budget Overview/Funding

Admission is open to honorably discharged veterans, their spouses and the surviving spouses of veterans. Eligible persons must have a doctor's statement supporting the requirement for skilled or intermediate nursing home care. EMVH had seventy (70) residents as of November 2008. Sixty (60) residents were male, and ten (10) were female'. The facility's average occupancy at EMVH for 2008 was 66.29 residents (or) an occupancy rate of 83%. The occupancy rate is slightly higher than the average for nursing homes in the state.

The total cost of operation for EMVH to the state during FY 2008 was about $ 1.5 million of state special revenue and veterans' per diem payments. Currently, the major source of funding at EMVH comes from the federal Veterans Administration. Other sources of funding are Medicare, Medicaid and private pay by veterans. As of October 1, 2007 the federal Department of Veterans' Affairs contributes $ 71.42 for each day of nursing home care provided to a veteran at EMVH in order to cover a portion of the cost of their care in a state veteran's facility. The VA per diem will increase to $74.42 effective October 1, 2008.

Major Accomplishments

The Division implemented or expanded several programs with state special revenue funding from cigarette taxes provided by the 2007 Legislature during the 2009 biennium

1. There was one long range building project completed during the previous biennium on the campus of Eastern Montana Veterans Home. The facility roofing shingles were replaced for $172,179.

2. A wheelchair equipped van was purchase for $37,900 with funding authorized by the 2007 Legislature. The van is used to transfer veterans to medical appointments both within the city and out-of-town.

3. **Montana Veterans Affairs Primary Care Clinic**: In May 2007 the VA contacted Eastern Montana Veterans Home and the State contractor and offered to provide daily

physician services to the veterans residing at EMVH. The VA proposed locating a VA outpatient clinic at EMVH for eligible veterans. The agreement proposed removing the current weekly charge of $810 for physician services with the understanding the State would make room for the outpatient clinic. The VA proposal would save the state approximately $42,000 per year. All costs associated with remodeling the area for the VA clinic would be reimbursed to the State by the VA. An agreement was made and the clinic remodeling construction started in June 2008. The total cost to remodel an area for a VA outpatient clinic was approximately $ 28,000. The VA clinic served approximately 500 unduplicated veterans during the period July 1, 2007 to June 30, 2008. The in-house VA outpatient clinic utilized existing space in the facility to provide services to the veterans during the remodel phase of the project. The on-sight VA clinic provided the residents at EMVH with more access to a VA physician, increased the number of visitors the residents received and increased the occupancy at the facility by an average of ten (10) veterans. In June 2008 all eighty (80) beds in the facility where occupied which was the first time since the building was open.

Significant Issues

Future of the Contract: The contract with the Glendive Medical Center (GMC) to provide services at EMVH was procured in July 2002 and can be renewed in 3-year cycles for up to seven years. The current contract was renewed July 1, 2007 and expires June 30, 2009. A Request for Proposal (RFP) must be issued for the Management of the facility prior to June 2009. GMC has been the only bidder when the initial and subsequent RFP's were issued. If for any reason GMC fails to bid on subsequent contracts or fails to comply with the contract requirements, the Division may have difficulty finding a provider willing to operate the facility. Discussions of the State operating the facility has come up periodically and will need to be considered. EMVH is the only DPHHS owned facility that is operated under a contract with the private sector.

Nurse Recruitment and Retention Funds:

Contained in H.R. 3936, Title II, Section 201 is an allowance to provide assistance for hiring and retention of nurses at State Veterans Homes. A State may use funds to promote an employee incentive scholarship program or other employee incentive program at a State home designed to promote the hiring and retention of nursing staff and to reduce nursing shortages at that home. The assistance must take into consideration the need for flexibility and innovation. EMVH plans to participate with the VA grant program for nurse recruitment and retention. There are limitations on amount of payment. These funds will be available beginning July 1, 2009.

Payment for the nurse hiring and retention assistance program (NHRAP) may not exceed fifty percent (50%) of the cost for a fiscal year. The State must provide the remaining fifty percent (50%) The maximum federal grant payment will be equal to, two percent (2%) of the State Homes annual per diem payment. The two percent (2%) will be calculated on Federal fiscal year, October – September. A Home must have a twelve (12) month VA Per Diem history to be eligible to apply for grant funds. All funds

must be expended in the approved fiscal year. Unexpended funds from this section must be returned. The EMVH nurse turnover rate for 2007 was approximately fifty-seven percent (57%).

2011 Decision Packages

Summarize DPs and briefly describe the need. Include greater detail on significant issues.

NP 22114 EMVH Facility Painting and Upgrades-OTO- This request is for $80,000 in state special revenue for the biennium for one time only painting, carpeting and repairs for the common areas and the resident rooms at the Eastern Montana Veterans Home. Due to the increase in wheelchair bound residents the facility finds it necessary to replace carpet and paint and repair walls more frequently. (See LFD book, page B-279)

Long Range Building

There are no long range building requests for the Veterans Home included in the Governor's budget. There is funding in DPHHS Energy Projects-Statewide to be used for energy conservation measures at DPHHS institutions included in HB 5.

EXHIBIT 1
DATE 1-26-09
HB 2

MONTANA
Department of Public Health & Human Services

Department of Public Health and Human Services
Presentation to the 2009 Health and Human Services Joint Appropriations Subcommittee
Senior and Long Term Care Division

Contact Information:

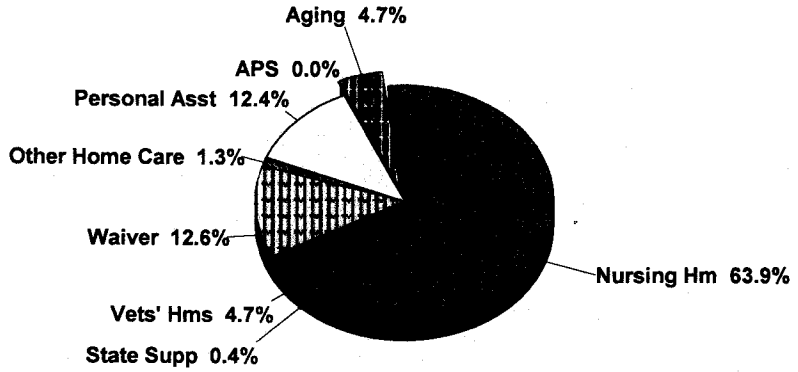
Title	Name	Phone Number	E-mail address
Director	Anna Whiting Sorrell	444-5622	awhiting-sorrell@mt.gov
Medicaid-Health Services	Mary Dalton	444-4084	mdalton@mt.gov
Administrator	Kelly Williams	444-4147	kewilliams@mt.gov
Fiscal Chief	Joe Weber	444-4143	jweber@mt.gov

Funding and FTE Information

The Senior and Long Term Care Division budget for the 2008-2009 biennium is about $500 million dollars. The largest source of funding in the Division is the federal Medicaid program. The federal government pays approximately 68% of Medicaid expenditures, while the state provides the remaining 32% in matching funds. Multiple funding sources fund the Divisions programs such as; federal funding including grants under the Older Americans Act and money to supplement veterans' nursing home care from the Department of Veterans Affairs. The two veterans' nursing homes in Montana are funded in part with money from the state cigarette tax, and I 149-tobacco tax revenues fund a portion of the Divisions programs. Nursing facility providers are funded with provider tax revenues and funding from Intergovernmental Fund Transfers in addition to Medicaid funding.

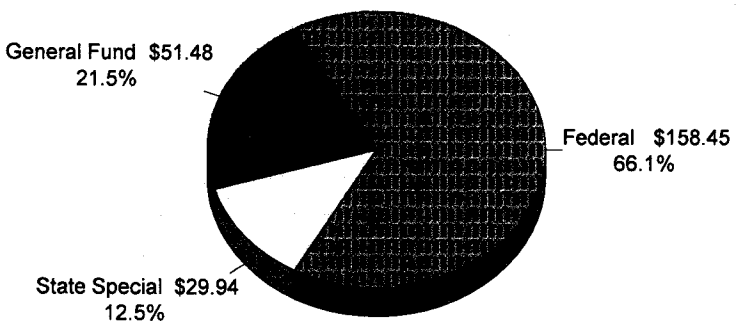
	2009 Biennium	2011 Biennium	% of Total	Difference	% of Difference
FTE	202.75	221.05		18.30	
Personal Services	20,512,903	23,027,937	4.3%	2,515,034	8.3%
Operating	14,122,810	15,806,198	3.0%	1,683,388	5.6%
Equipment	330,881	461,432	0.1%	130,551	0.4%
Grants	17,760,407	19,538,772	3.7%	1,778,365	5.9%
Benefits & Claims	447,395,414	471,429,526	88.9%	24,034,112	79.7%
Transfers	0	0	0.0%	0	0.0%
Debt Service	27,044	31,206	0.0%	4,162	0.0%
	500,149,459	**530,295,071**	**100.0%**	**30,145,612**	**100.0%**
General Fund	106,219,522	118,993,819	22.4%	12,774,297	42.4%
State Special Fund	63,826,952	66,682,273	12.6%	2,855,321	9.5%
Federal Fund	330,102,985	344,618,979	65.0%	14,515,994	48.2%
	500,149,459	**530,295,071**	**100.0%**	**30,145,612**	**100.0%**

Senior and Long Term Care Division
FY 2008 Benefit Expenditures



SFY Benefit Expenditures totaled $227.37 million.
Data as of 8/4/ 2008

Senior and Long Term Care Division
Funding Sources in SFY 2008



Amounts shown are in million $.
Data As Of 8/4/2008

EXHIBIT 1
DATE 1-26-09
HB 2

Senior and Long Term Care Division
FY 2008/2009 Biennium
Goals and Objectives Overview

The following are the goals and objectives for the Senior and Long Term Care Division (SLTCD) for FY2008 and FY2009. Many of the objectives reflect proposals found in the SLTCD Executive Budget request for FY2008/2009 that will require the approval of the legislature.

· Goal A: Increase the ability of Montanans to prepare to meet their own long term care needs, or the long term care needs of a relative or friend.
Objectives:
1. Increase the number of requests for information on the State Aging Hotline and AAA toll free number each year. **PDF Graph**
2. Maintain or increase the number of home delivered meals served through the Aging Network. **PDF Graph**
3. Increase the number of Information and Assistance program contacts each year. **PDF Graph**
4. Increase the number of individuals served each year by the State Health Insurance Program (SHIP). **PDF Graph**
5. Maintain the number of participants at the Governor's Conference on Aging each year.
6. SLTCD staff will conduct at least 100 public presentations each year. **PDF Graph**
7. Increase the number of visits to the SLTCD website each year. **PDF Graph**
8. Develop a coordinated continuing public education campaign to inform Montanans about long term care issues and options emphasizing the need for individual long term care planning and personal responsibility for individual health care needs. **PDF Graph**
9. Revise or update the annual State of Aging in Montana report.
10. Maintain or increase the average monthly visitation rates by ombudsmen to licensed nursing facilities, assisted living facilities and Critical Access Hospitals with swing beds each year. **PDF Graph**
11. Increase the number of counties that have Aging and Disability Resource Centers and increase the number of clients these Centers assist with eligibility for public benefits. **PDF Graph**
12. Increase the number of caregivers receiving supportive services (including respite care) and increase the project income for these services. **PDF Graph**

Goal B: Increase the number of Montanans who meet some or all of their own, or someone else's, long term care needs.
Objectives:
1. Increase the number of people with long term care insurance as measured by the number of people claiming a tax deduction for long term care insurance on their state income tax returns. **PDF Graph**
2. Increase the number of people taking the tax credit for caring for an elderly

II
1

dependent. PDF Graph
3. Increase the average amount of daily patient contributions paid towards Medicaid nursing home care. PDF Graph
4. Increase the funds recovered under the Medicaid lien and estate recovery program. PDF Graph
5. Increase the percentage of people privately paying for nursing home care each state fiscal year. PDF Graph

· Goal C: Ensure high quality publicly funded long term care services to Montanans publicly funded long term care services to Montanans.
Objectives:
1. Pursue provider rate increases and direct care wage and health insurance initiatives for providers that serve a high proportion of Medicaid consumers to maintain access to services. PDF Graph1 and PDF Graph2
2. Pursue avenues to maintain the current level of funding that is derived from provider taxes to enhance and stabilize Medicaid nursing facility price based reimbursement system.
3. Continue to assist financially strapped rural county affiliated nursing homes by increasing their Medicaid reimbursement rates through the use of intergovernmental transfers of matching funds to the SLTCD.
4. Maintain or increase the current percentage of reasonable costs per day reimbursed by the Medicaid nursing home program. PDF Graph

· Goal D: Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible.
Objectives:
1. Increase the total amount of the Senior and Long Term Care Division budget that goes to home and community services. PDF Graph 1 and PDF Graph 2
2. Increase the percentage of Montanans age 65 or older who live at home or in small residential alternatives. PDF Graph
3. Increase the number of people served under the Medicaid Home and Community Based Services (HCBS) Waiver by at least 100 over the biennium. PDF Graph
4. Reduce the percentage of nursing facility residents under age 65.
5. Pursue grants to improve services to underserved populations and solidify quality assurance practices.
6. Maintain the average length of stay for an individual on the HCBS Waiver waiting list at less than one year. PDF Graph

· Goal E: Enhance the ability of the state to protect senior citizens and people with disabilities who are at risk of abuse neglect and exploitation while ensuring maximum independence and self-determination.
Objectives:
1. Work, within budgetary constraints, to maximize services to vulnerable individuals

through continuing to pursue additional discretionary monies to support abuse prevention activities over the next biennium.
2. Continue to support the development of Chapters affiliated with the National Committee for the Prevention of Elder Abuse and other, similar, prevention organizations.
3. Work to effectively decrease the number of guardianships of incapacitated adult individuals held by state agencies by assisting in the development of private, non-profit guardianship provider entities (e.g., councils, individuals and other groups) and transferring appropriate guardianships to those entities. A goal for reduction of state-held guardianships will be 5% (approximately 10 individuals) per year over the next biennium. **PDF Graph**
4. Maintain and utilize the Operation Protect Montana (OPM) protective services data management and reporting system to address ongoing issues of workload/caseload, referrals, guardianships and other protective service needs for the protection of vulnerable adults.

· Goal F: Provide efficient, effective, high quality nursing facility services to Montana veterans', at the Montana Veterans' Home (MVH) and Eastern Montana Veterans' Home (EMVH).
Objectives:

1. Meet the annual state standards necessary for licensure and certification of nursing facilities at MVH and EMVH during each year in the coming biennium.
2. Achieve and maintain occupancy rates equal to, or greater than, those of other nursing facilities in the region of the state in which each facility is located. **PDF Graph**
3. Continue to assess and address direct care staff recruitment and retention difficulties at MVH and EMVH by developing alternative compensation proposals and wage incentives to attract and retain direct care staff at both facilities.
4. Request funding to upgrade physical plant at EMVH by replacing roof on building.
5. Request funding for remodeling and expansion projects at MVH, which would add additional dining/lounge space, remodel existing nursing station, add three (3) private rooms in order to improved dining capacity, improved nurse supervision of residents, improved quality of care and increased staff efficiency.
6. Request additional staffing resources to better meet the needs of residents with dementia/Alzheimer's residing in MVH special care unit.
7. Continue to evaluate the operations of both facilities and assess the feasibility of contracting versus direct operation of Montana's State Veterans' facilities in light of Veterans' Study data.
8. Continue to utilize "School to Work" programs in Dawson County to further enhance and improve the grounds at the EMVH facility.

· Goal G: Operate an efficient and cost effective long-term care system.
Objectives:
1. Maintain the total long-term care expenditures of the SLTCD within the budget

established by the legislature for each year of the 2008/2009 biennium. **PDF Graph** 2. Pursue additional federal funding opportunities to enhance or expand services without the need for additional state dollars.

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

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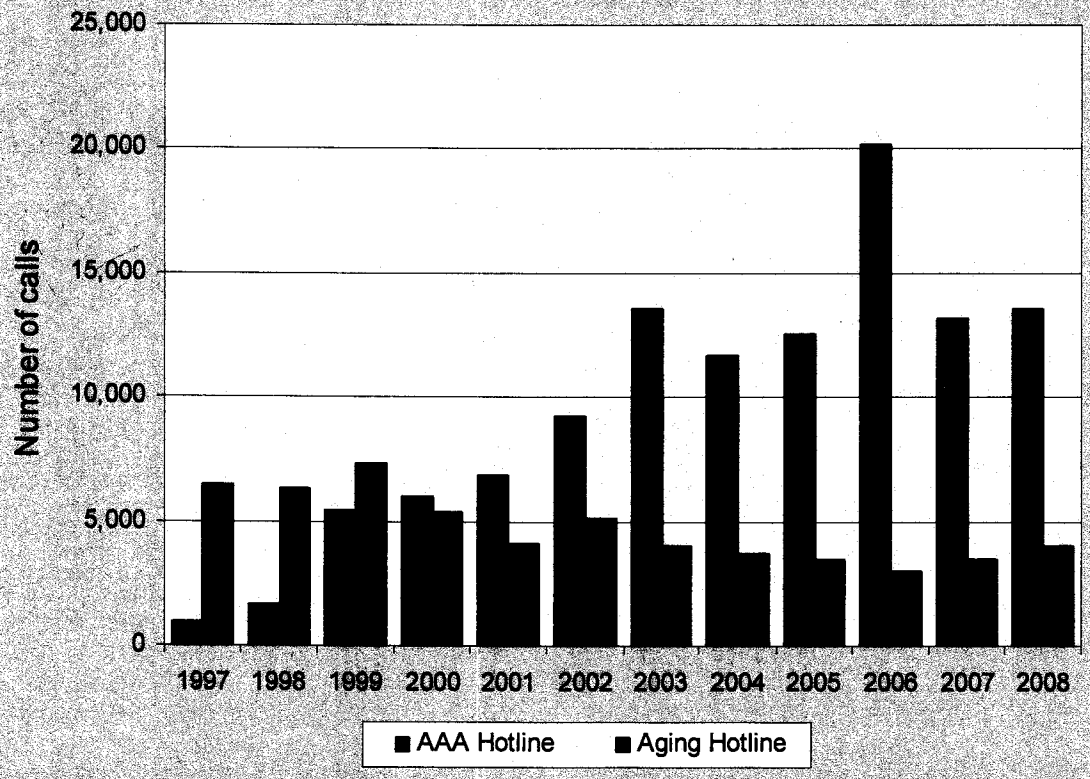
OBJECTIVE 1

INCREASE THE NUMBER OF REQUESTS FOR INFORMATION ON THE STATE AGING HOTLINE AND AAA TOLL FREE NUMBER EACH FISCAL YEAR

Toll Free Calls to State/AAA hotlines



COMMENT AND NOTES: Calls to the Area Agency on Aging (AAA) toll free number are routed to the AAA serving the county that the call originates from. Calls to the State Citizens Advocate toll free number are routed to the Aging Services Bureau. Increases in 2006 are largely attributable to changes in Medicare.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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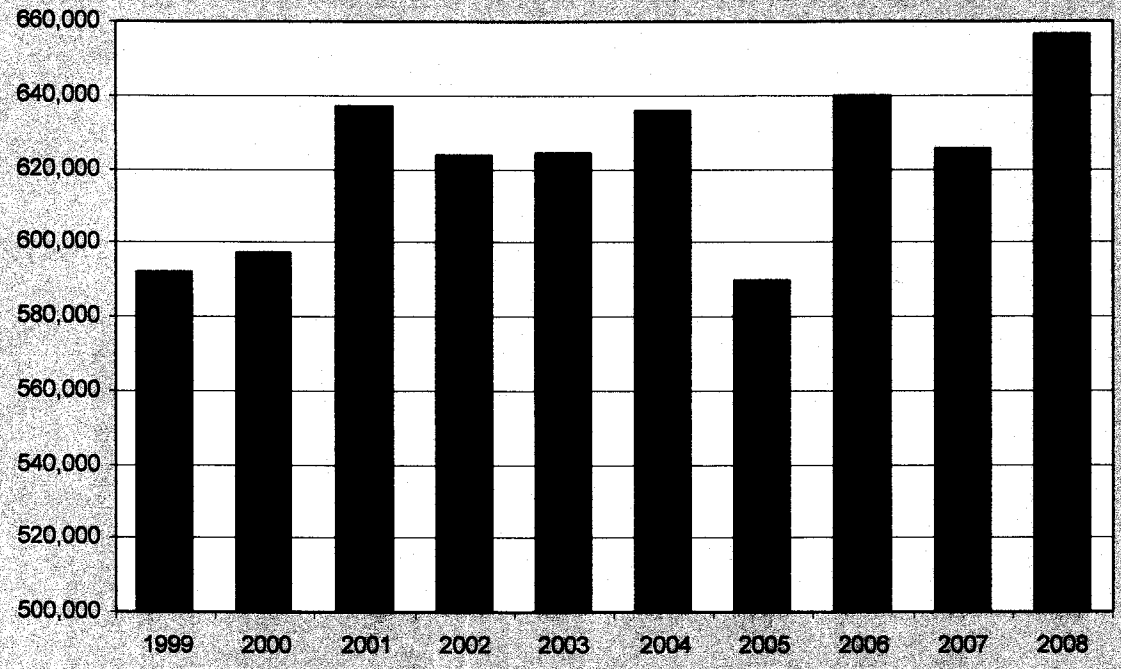
OBJECTIVE 2

MAINTAIN OR INCREASE THE NUMBER OF HOME DELIVERED MEALS SERVED THROUGH THE AGING NETWORK

Annual Home Delivered Meals Served



COMMENT AND NOTES: Home delivered meals are a crucial component of in-home services provided through the Aging Network that help seniors remain in their homes, living independently. Currently, the average age of a home delivered meal client is 77. The number of home delivered meals served hit a record high in 2008.

REPORT DATE: December 1 2008

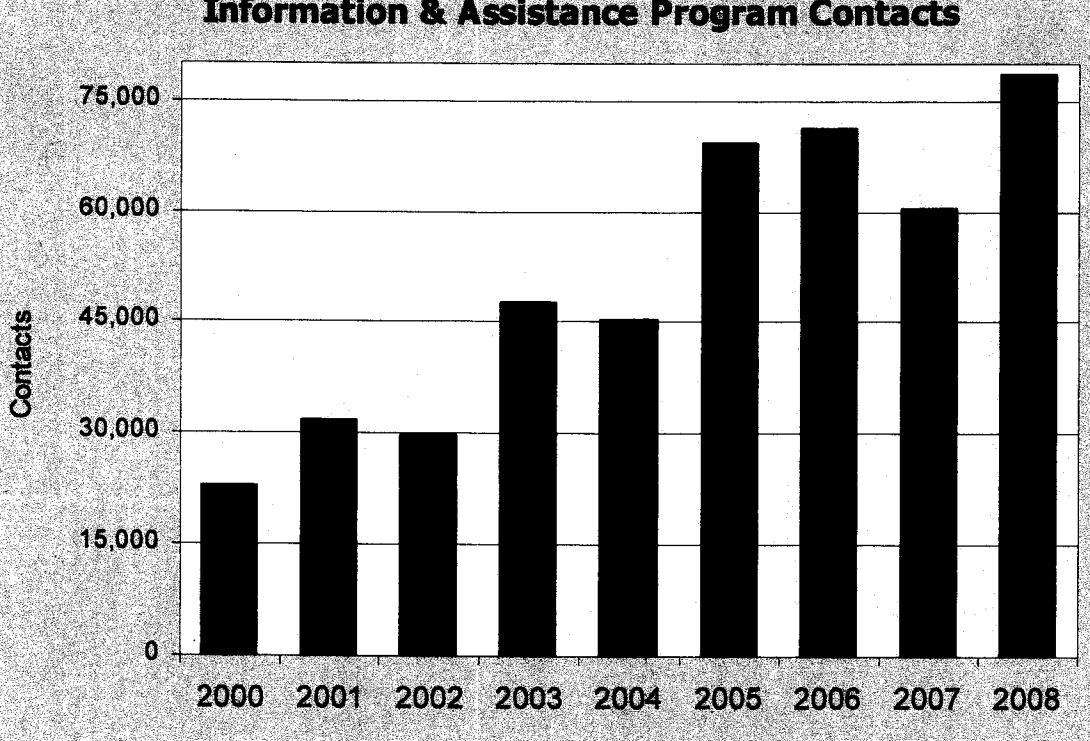
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

[redacted]

OBJECTIVE 3

INCREASE THE NUMBER OF INFORMATION AND ASSISTANCE PROGRAM CONTACTS EACH FISCAL YEAR



COMMENT AND NOTES: Data reflects the total phone and personal contacts with Information and Assistance Technicians. These contacts provide information on a wide range of aging services as well as assistance in resolving caller concerns. The increased contacts in 2005 and 2006 are largely attributable to changes in Medicare.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

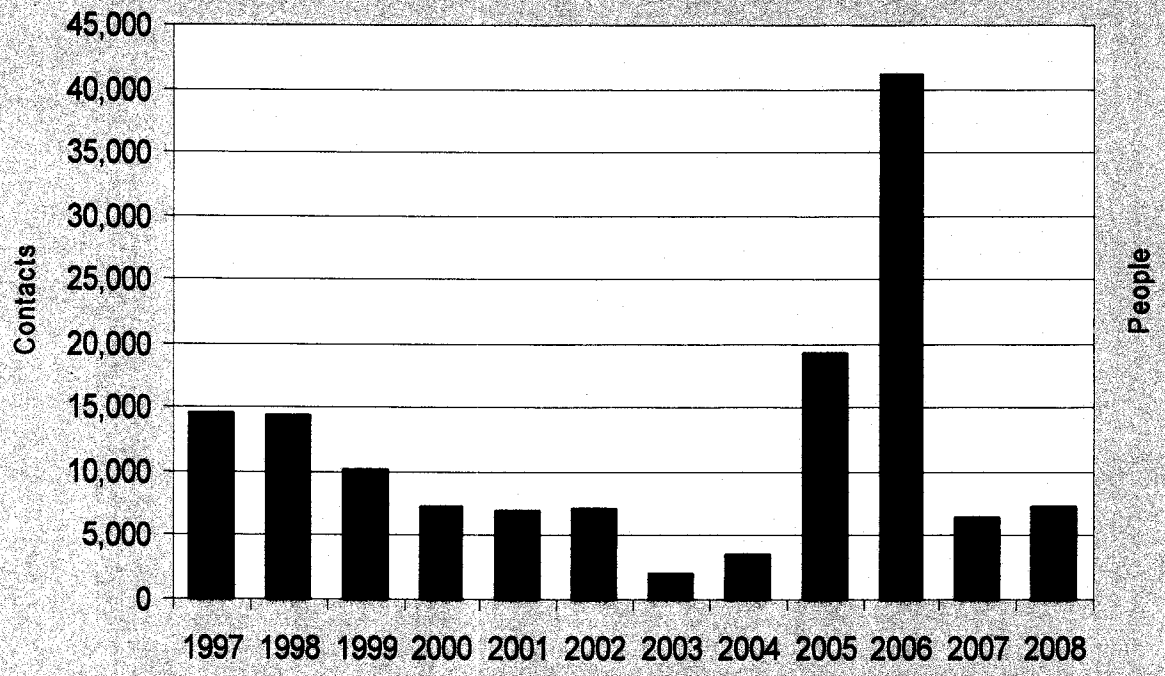
[redacted]

[redacted]

OBJECTIVE 4

INCREASE THE NUMBER OF STATE HEALTH INSURANCE PROGRAM CONTACTS EACH FISCAL YEAR

Annual SHIP Service Data



COMMENT AND NOTES: There are about 150 SHIP counselors around the state. Prior to 2003, units of service represented total statewide phone contacts. In 2003, the Centers for Medicare and Medicaid Services (CMS) implemented a new reporting program that just counts individuals served. The increases in 2005 and 2006 are a result of changes in the Medicare Modernization Act of 2003.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

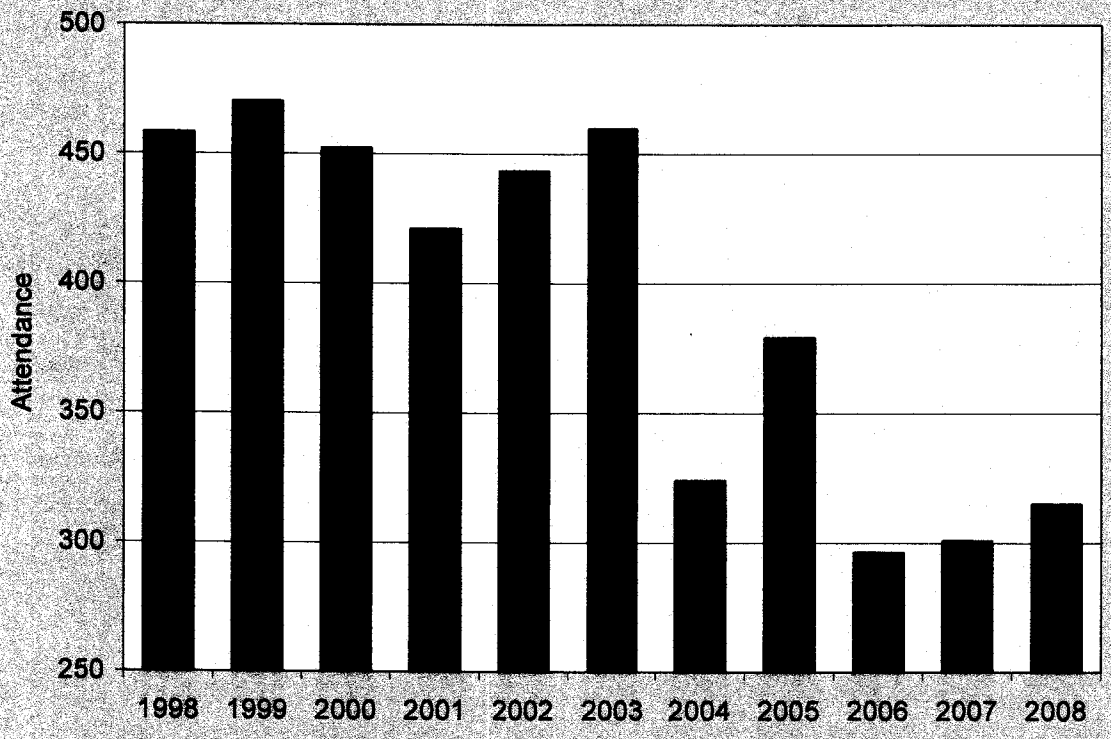
[redacted]

[redacted]

OBJECTIVE 5

MAINTAIN THE NUMBER OF PARTICIPANTS AT THE GOVERNOR'S CONFERENCE ON AGING EACH FISCAL YEAR

Governor's Conference Attendance



COMMENT AND NOTES: In 2004 the Conference switched from being held in September to March. Since there was already a Conference held within 6 months, the attendance was lower.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

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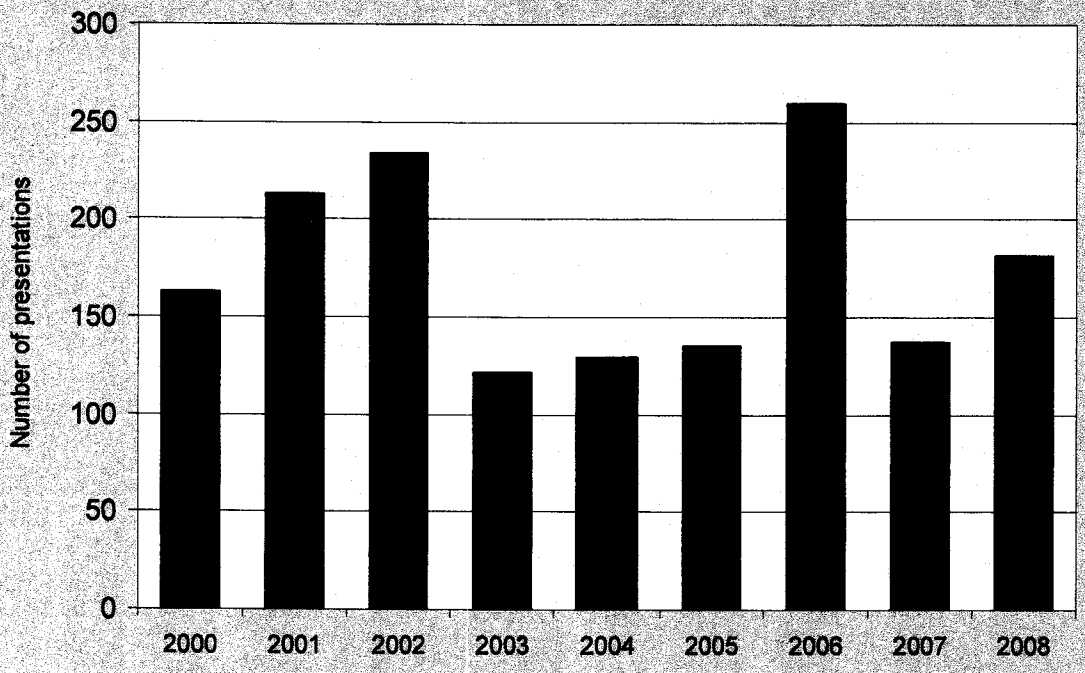
OBJECTIVE 6

SENIOR AND LONG TERM CARE STAFF WILL CONDUCT AT LEAST 100 PUBLIC PRESENTATIONS EACH FISCAL YEAR

SLTC Division Public Presentations



COMMENT AND NOTES: Public presentations include educational seminars, presentations at nursing homes, and conference presentations provided by SLTC staff. They do not include training to other SLTC staff or contractors. The increase in 2006 was due to changes in the Medicare law.

REPORT DATE: September 1, 2008

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

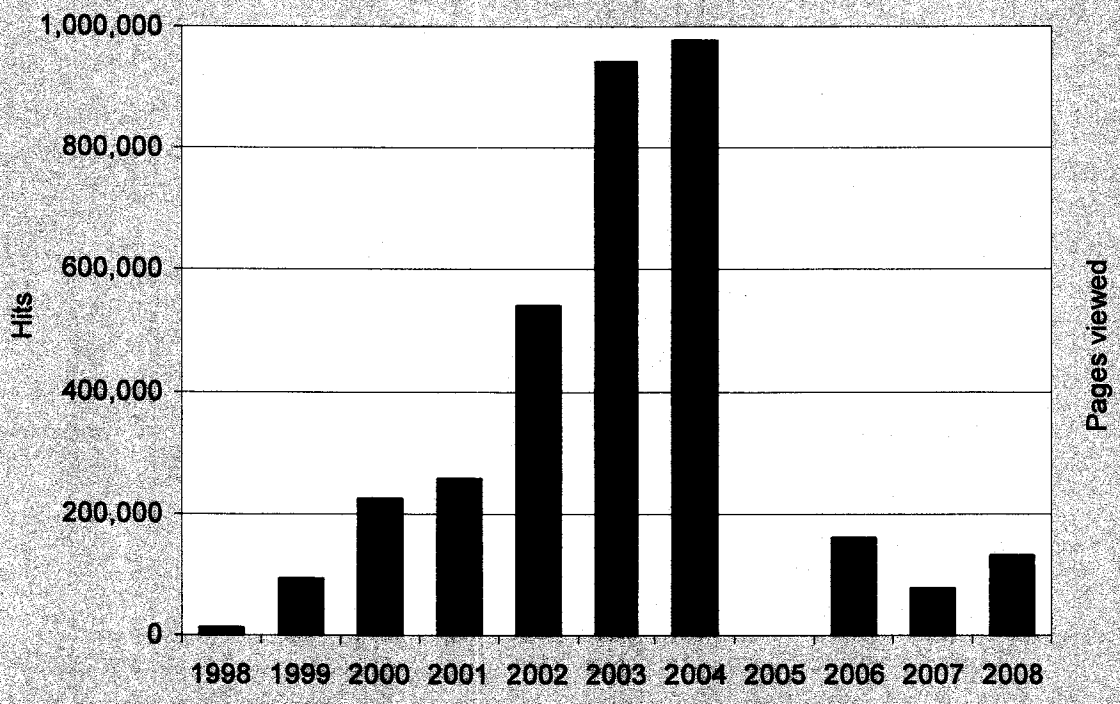
[redacted]

[redacted]

OBJECTIVE 7

INCREASE THE NUMBER OF VISITS TO THE SENIOR AND LONG TERM CARE DIVISION WEBSITE EACH FISCAL YEAR

SLTC Website Activity



COMMENT AND NOTES: The SLTCD maintains an extensive website of long term care resources. The website is being used by consumers, out-of-state individuals and family members and SLTCD staff looking for services. Prior to 2005, data represented search hits. Current data is for people actually accessing the SLTCD site.

REPORT DATE: September 1, 2008

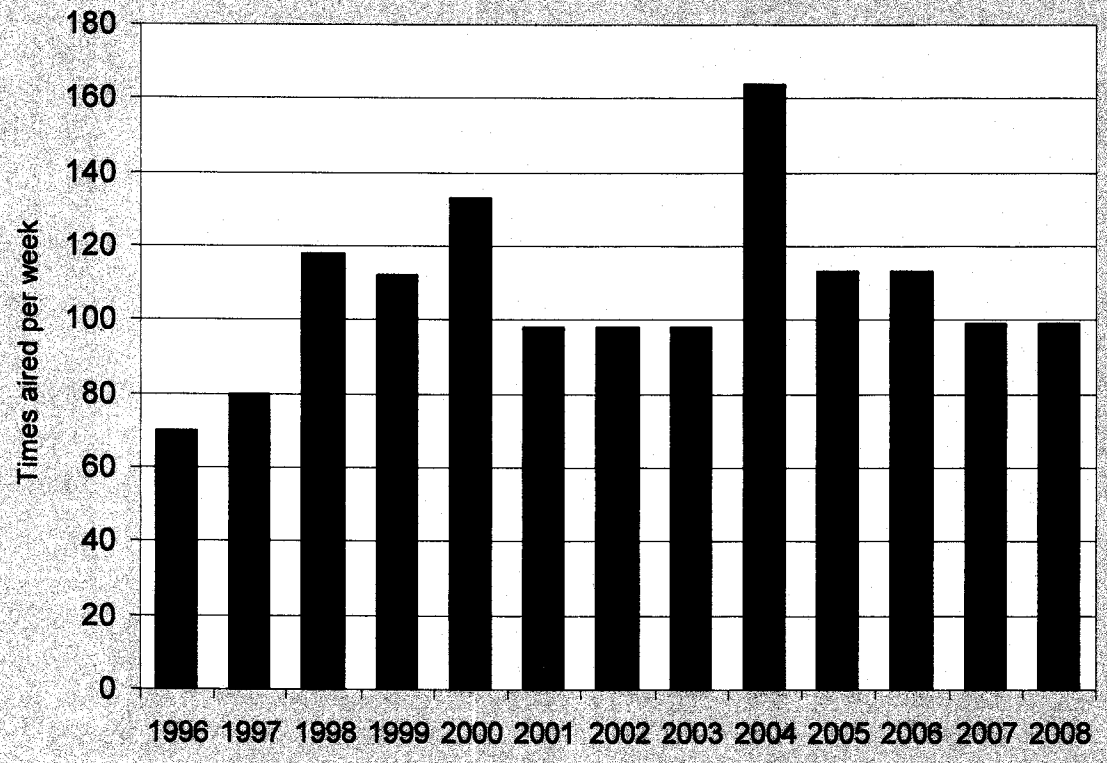
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
SENIOR AND LONG TERM CARE DIVISION

[redacted]

OBJECTIVE 8

INFORM MONTANANS ABOUT LONG TERM CARE ISSUES AND THE NEED FOR INDIVIDUAL LONG TERM CARE PLANNING

Aging Horizons TV Shows



COMMENT AND NOTES: The Aging Horizons TV show is a 30 minutes show. It airs twice a day for a week in 8 markets over the Bresnan Cable Network. The show deals with a wide range of long term care and aging issues. The show is also now aired on Helena Community TV.

REPORT DATE: September 1, 2008

EXHIBIT 1
DATE 1-26-09
HB 2

I

Table of Contents

EXECUTIVE SUMMARY

II

Executive Summary

The 60th Legislature directed the Department of Public Health and Human Services to conduct a study to determine the feasibility, impact and cost of providing employer sponsored health insurance to direct care employees of organizations that receive a majority of their revenues as the result of providing Medicaid funded long-term care services.

This report is a summary of surveys that were solicited of direct care service workers and their employers in three divisions within the Department of Public Health and Human Services; Disabilities Services Division, Addictive and Mental Disorders Division and the Senior and Long Term Care Division. This study and the resulting report are required by Senate Bill 206 passed during the 2007 Montana Legislative Session, which mandated that the Department study the development of health insurance models for those workers that provide direct hands on care and report on the feasibility and cost of developing such a model for the workers in these programs.

Over 2,252 direct care workers responded to these surveys and 104 providers responded across all programs to questions on health insurance. The survey was returned by direct care workers such as certified nursing assistants who work in nursing facilities, direct care professionals working in disabilities programs, workers in home health and hospice programs, as well as, home and community based workers providing services such as habilitation aide, respite and homemaking, and therapeutic aides and group home workers providing direct care to mentally ill individuals The percentage of Medicaid funding received by these providers varies from approximately 13% in community based waiver programs to 61% in nursing facility programs to 70-75% in other surveyed programs.

Most direct care workers are motivated by a desire to make a difference in the lives of those they serve. More often they remain on the job because of their relationships with those they assist, rather than because of wages or benefits. Millions of older Americans and people living with disabilities rely on these workers for their personal care and support they need to maintain their independence and quality of life. The work they do is physically demanding and stressful. These workers lift and transfer clients; assist in dressing and carrying out other activities of daily living and mange sometimes difficult behaviors of those with developmental disabilities, dementia, and mental illness. (1)

Ironically, most of those who provide care to others do not have access to affordable health insurance for themselves. Most direct care workers are women, over 90%, and one quarter to one third are unmarried living with children. Care giving as an occupation ranks sixth in the shear numbers of women employed. The average age of a caregiver is 46 years old nationally. (1)

In Montana, the average age of a direct care worker across all programs surveyed is 42 years old, with workers ranging in age from 15 years to 87 years old. Eighty-three percent of those responding to the survey are women and are split about evenly between married and unmarried. The 2,252 workers that responded had 1,155 children under the age of 21.

Many direct care workers work part-time and that affects their ability to access insurance coverage in many employment situations, but even with full time workers, coverage rates are low when compared to the population in general. Home care workers are less likely than their counterparts working in institutional settings to have health coverage. Home care jobs are growing more rapidly than hospital or nursing facility jobs, based on the shear demand for community based in-home services. (1)

In Montana, most direct care workers work in positions that pay an hourly entry wage of $9.20 to start as a result of the implementation of a legislatively funded direct care wage increase in fiscal year 2008. At these income levels, few can still afford to pay even a percentage of the cost of employer sponsored health insurance premiums. The surveys received show that over 80% of employers offer some form of employer sponsored insurance, but the number of employees that are covered range dramatically from 91% in Disability Services programs to 5% in Addictive and Mental Health programs. Most workers that do access insurance have employee only coverage with premium costs ranging from $758 to $442. There is also a wide range of costs that the employee must contribute to access coverage, ranging from $405 to $55, depending on the type of workers that are being insured. Caregivers working in institutional settings such as hospitals, nursing facilities and residential care facilities are more likely to have employer sponsored health coverage than those who work in home and community based settings. Ninety-two (92%) of all workers indicated that if their employer offered health insurance at little or no cost they would participate.

Many of the direct care workers and their families earn low wages and have so little income that often some members of the household depend on public programs to meet their needs. These include Medicaid, food and nutrition programs, TANF, and housing and energy benefits. The survey of the workers in the three Divisions indicates that 253 children of the respondents are enrolled in Medicaid, 137 children are enrolled in the Children's Health Insurance Program (CHIP) and 54 workers have participated in the TANF program at some time.

Over the past two years the Department has been working with funding provided as part of last session's House Bill 2 to develop a model for employer-sponsored health insurance. The Health Care for Health Care Workers funding has provided the Department an opportunity to model a health insurance payment program, which will serve as the baseline to develop additional programs targeted at other types of long-term care workers. This funding is available beginning in January of 2009 and provides approximately $2.5 million dollars over a six month time period. The funding will be distributed in the form of provider rate increases for agencies that deliver Medicaid personal assistance and private duty nursing services when those agencies provide their direct care employees with health insurance coverage that meets defined benchmark criteria.

Research has shown that there is a high correlation between access to health insurance benefits and worker retention. For an industry with high turnover and increased demand this is a critical component for being able to maintain access to in-home services by consumers, as well as reducing the cost for recruitment and training of new workers on a revolving basis. (1)

Information gathered from implementing the Health Care for Health Care Workers funding targeted at private duty nursing and personal assistance workers will serve as the basis for costing any future expansions of employer sponsored health insurance to direct care employees of organizations that receive the majority of their revenue as a result of providing Medicaid funded long term care services. Additional information on the number of workers in each program that health insurance is expanded to, as well as the Medicaid participation rate of each of those programs, is necessary to determine an overall cost analysis. A majority of this information already exists. Information on direct care workers can be found in the direct care wage reports that were a part of the direct care wage funding implemented in 2008, as well as the SB 206 survey information that was generated by providers on the number of total direct care workers in each program.

(1) The Invisible Care Gap: Caregivers without Health Coverage: Health Care for Health Care Workers (PHI)